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OANA Executive, Technical Expert Meetings Open

SK1205112395 Seoul YONHAP in English 0212 GMT 12 May 95

[FBIS Transcribed Text] Seoul, May 12 (YONHAP) — The 16th board of directors, and the 11th technical expert group meetings of the Organization of the Asia-Pacific News Agencies (OANA) opened its two-day run at 9:30 Friday morning at the Westin Chosun Hotel in downtown Seoul.

A total of 76 delegates from the 21 OANA member agencies, and 25 newspapers and broadcast companies from 25 countries in the Asia-Pacific region attended the opening session of the meeting hosted by YONHAP News Agency.

Information Minister O In-hwan welcomed the delegates and said, in his speech, he hoped OANA will take the lead in this information-dominated society in the 21st century, by providing news filled with color and the point of view of the Asia-Pacific region with cooperation from its members. He pointed out that the region is emerging as a center of world news due to its dynamic development. "One regret I have here at this meeting is the absence of North Korean representatives, who should, of course, be participating a member of the OANA."

OANA President Gao Chaoren, who is also president of China's XINHUA News Agency, said in a speech that he trusts representatives for OANA member companies, attending the board of directors meeting, will hold frank and sincere dialogues and discussions amongst themselves, and reach mutual understandings on various measures geared to improve manpower training and development to be provided to OANA member firms in preparation for the super-speed information age. He said, "In order to meet the demands of our fast-developing economies, catch up with the fast pace of high-technology development and cope with the fierce on-going media competition, our news agencies should exert their utmost efforts in upgrading our communications technology and improving our coverage."

President Hyon So-hwan of YONHAP News Agency, the host of the meetings, said the need for cooperation among OANA members is growing, and hoped that the board of directors meeting in Seoul would bring aid in OANA's future progress. "We surely must do something together to cope with the ever-intensifying competition with other news organizations and to meet the growing challenge of this high technology era," Hyon said.

Following the opening session, delegates discussed measures [words indistinct].

Among the OANA member firms participating in the Seoul meetings are: ANTARA (Indonesia), APP (Pakistan), BERNAMA (Malaysia), ITAR-TASS (Russia), ANADOLU (Turkey), IRNA (Iran), BSS (Bangladesh), KABAR (Kyrgyzstan), KAZTAG (Kazakhstan), KYODO (Japan), LANKAPUVATH (Sri Lanka), MONTSAME (Mongolia), PNA (the Philippines), PPI (Pakistan), PTI (India), RIA-NOVOSTI (Russia), RSS (Nepal), TNA (Thailand), UNB (Bangladesh), VNA (Vietnam), XINHUA (China), and YONHAP (Korea).

AAP of Australia and UZA of Uzbekistan are attending the meetings as observers.

Malaysia's Badawi on ASEAN-Canada Talks

BK1205105195 Kuala Lumpur Voice of Malaysia in English 0800 GMT 12 May 95

[FBIS Transcribed Text] ASEAN foreign ministers have urged Canada to voice concern about the dollar's recent slide against the yen at next month's Group of Seven [G-7] summit Canadian Foreign Minister Andre Ouellet requested his counterparts from the ASEAN for three days of consultations. [sentence as heard]

Foreign Minister Abdullah Ahmad Badawi told reporters after a meeting in Vancouver, that when the value of the yen was raised upwards, developing countries which are so dependent on yen credit were landed with a terrible debt burden.

In a statement Badawi said ASEAN countries urged the G-7 summit to foster stronger global economic growth and to ensure that a financial crisis, like the one recently experienced by Mexico, is not repeated.

The talks covered issues including reform of international financial institutions, like the World Bank, the future of the United Nations Global Trade and Information Superway, poverty and development, Bosnia, and international crime.

In his concluding remarks to the media, Datuk Badawi also said ASEAN countries called on Western nations to stop putting the blame on Muslims every time an act of terrorism is committed. Such immediate reaction was bigotry and certainly not helpful in addressing the serious crime against humanity. He said ASEAN stands ready to work closely with all countries in combating international terrorism.

His remarks came in the wake of the bombing of a U.S. federal government building in Oklahoma City recently in which Americans were quick to point their fingers at Islamic fundamentalists. Federal authorities, however, have detained members of an American militia group, who are said to be opposed to the U.S. Government.

ADB's Sato Seeks Fund Replenishment for Aid

*OW0305042495 Tokyo KYODO in English
0331 GMT 3 May 95*

[FBIS Transcribed Text] Auckland, New Zealand, May 3 KYODO — The president of the Asian Development Bank [ADB], Mitsuo Sato, on Wednesday [3 May] called on the bank's members to replenish funds for aid to Asian developing countries.

Sato made the plea at an opening session of the 28th annual ADB meeting which brought together finance ministers and central bankers from the 55 member countries.

Noting that a major task still facing Asia is how to overcome poverty, he said there is a limit to what private-sector funding can do.

Sato stressed the need to replenish financial resources for the Asian Development Fund, established in 1974 to extend soft loans to the least-developed member countries.

The ADB head pointed to the necessity of closer cooperation between the ADB and the Asia-Pacific Economic Cooperation forum which is to hold an informal summit in Osaka in November.

Sato also called for member states to stabilize foreign exchange rates, saying, "I hope that determined efforts by the governments concerned would lead to attaining stability in the foreign exchange market."

He pointed out the bank's developing member nations which have borrowed yen loans will be affected by the Japanese currency's surge against the U.S. dollar.

New Zealand Prime Minister Jim Bolger told the opening session that his country's economy is growing partly on the back of economic reforms, in concert with the development of Asia.

Japanese Finance Minister Masayoshi Takemura is to make a speech Thursday.

Japan

Reports on Ruptured Auto Talks With U.S.

Murayama Hopeful of Settlement

OW1505034495 Tokyo KYODO in English 0330 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Prime Minister Tomiichi Murayama met Monday [15 May] with Japan's top business leader and expressed hope of reviving the ruptured negotiations on auto and auto parts trade with the United States, business officials said.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), called on Murayama at the prime minister's official residence to discuss Japan-U.S. economic problems.

Murayama told Toyoda the government hopes to conduct negotiations with the U.S. on auto and auto parts trade "in a cool manner under international rules," the officials said.

Toyoda indicated to Murayama that Japan may have no choice but to take the issue to the World Trade Organization if Washington decides to slap sanctions on selected Japanese products in an effort to pry open Japan's auto and auto parts markets, the officials said.

Toyoda also urged the government to consider moving some of the national government offices from Tokyo to outlying areas as part of efforts to stimulate domestic demand, the officials said.

Murayama replied the government would give positive consideration to the proposal.

Tokyo Undecided on Countersanctions

OW1505064295 Tokyo KYODO in English 0616 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Japan has not decided yet whether to retaliate against the United States with its own threat of sanctions when Washington unveils a list of items targeted for trade sanctions against Tokyo, Japan's top trade bureaucrat said Monday [15 May].

"It isn't decided whether to take (sanctions) or not," said Tomio Tsutsumi, vice minister at the Ministry of International Trade and Industry (MITI). "We want to look carefully at the U.S. list."

The chief MITI bureaucrat also told a regular news conference the yen's decline against the dollar in recent days appears to be the start of a return toward economic fundamentals and was partly caused by the Japanese Government's yen-busting package.

On the fallout from collapsed auto trade talks with the U.S., Tsutsumi repeated that Japan wants to react "calmly" to the U.S. sanctions threat, which it brands as a clear violation of World Trade Organization (WTO) rules.

MITI chief Ryutaro Hashimoto earlier in the day was repeatedly cautious when asked about countersanctions, not answering directly but questioning whether they would be good for the fledgling WTO.

A senior MITI official told reporters Friday in Washington that Japan is considering sanctions. MITI officials back home appeared perplexed Friday night, with some saying such a move would undercut Japan's claim to be the free trade advocate in the auto trade row.

Noting that the dollar had rebounded to the 87 yen range, after sinking in recent weeks as low as 79.75 yen, Tsutsumi cited the effects of the yen package, announced last month and fueled by a 2.7 trillion yen supplementary budget approved by the government Monday for submission to the Diet.

"The foreign exchange market has recently begun moving toward normal," he said. Asked if the yen package was a main cause of the movement, Tsutsumi said he thought it had been "factored in to some extent" by the market but that factors from Europe and the U.S. could also be affecting the market.

Currency dealers have scoffed at the effect of the package of deregulatory and fiscal stimulus measures in restraining the Japanese currency.

Tsutsumi expressed hope that the supplement to the current fiscal year budget will be enacted "as quickly as possible," despite reports the opposition Shinshinto (New Frontier Party) may try to hold up debate.

The government hopes to get the budget through the legislature by Friday. Hashimoto is set to leave Sunday for a conference in Paris, and the minister acknowledged in his morning news conference that budget wrangling could create a "headache" for his plans.

Tsutsumi said Hashimoto has no firmly scheduled bilateral meetings planned during his trip, which surrounds the May 23-24 meeting of the Organization of Economic Cooperation and Development. Hashimoto said he expects to meet U.S. Commerce Secretary Ron Brown but the timing for such a meeting has not been set.

'Narrow, High' Sanctions Expected

OW1505110595 Tokyo KYODO in English
1055 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Japan expects the United States to issue a "narrow, high" list of sanctions Monday morning Washington time, a top Japanese trade official said Monday.

Whether Japan will respond with its own sanctions will depend on the details of the list, said the senior official of the Ministry of International Trade and Industry (MITI).

He acknowledged there is a debate in the ministry on whether Japan should issue sanctions after blasting the U.S. for its intent to do so.

The official, speaking on condition of anonymity, said his impression is that the U.S. list will come overnight Japan time and will include high tariffs on a narrow range of products rather than less stringent measures on a wide range of Japanese goods.

Repeating that Tokyo will immediately file a complaint with the World Trade Organization (WTO) when the list is issued, he added that such a filing should be logistically quick and simple.

He said the final U.S. proposal before the auto and auto parts talks broke down May 5 in Canada was "not even a departure point" for an agreement because it indirectly required "voluntary plans" for increased parts purchases by Japanese automakers, which both governments would then "welcome."

That amounts to pressure for unacceptable government intervention into private business decisions, he said, even though he said the U.S. offered in its oral proposal to specify that the plans were not "commitments" and were subject to changing business conditions.

MITI will not cave in to U.S. demands at the last minute, the senior official insisted, citing the "learning experience" of a 1987 bilateral semiconductor agreement in which Tokyo compromised on the eve of the implementation of U.S. sanctions.

The market-share "goals" set in the chip agreement took on a life of their own and were treated as government promises by Washington, the official said, stressing MITI's resolve not to swallow the "voluntary plan" demand, which the U.S. says is essential to a bilateral auto agreement.

Washington is not aiming to make the Japanese Government crack but to put enough pressure on Japanese automakers for them to come up with "voluntary plans," the senior MITI official said, adding there is "almost no chance" that the recession-strapped carmakers can raise their parts-buying plans.

U.S. officials contend that the makers can save money by purchasing more U.S. parts thanks to the soaring yen and that MITI is pressuring them not to make concessions. The carmakers publicly say it is impossible for them to increase their purchasing plans.

The confrontation, over the sector that accounts for 60 percent of the bilateral trade imbalance, looks set to provide the fledgling WTO with its first major test.

The official noted Japan's confidence that it can challenge the expected U.S. sanctions, which are based on allegations that Japan's parts market is closed but reportedly will target luxury cars.

He said the internal MITI debate includes an argument that it should stick to the moral high road and retaliate only under WTO rules after a decision by the Geneva-based trade referee, while another faction argues for "defensive" sanctions in light of the heavy damage sanctions would impose on Japanese industry.

Brown Seeks Talks With Hashimoto

OW1305042995 Tokyo KYODO in English
0407 GMT 13 May 95

[FBIS Transcribed Text] Tokyo, May 13 KYODO — U.S. Commerce Secretary Ron Brown has contacted the Japanese Government to seek a face-to-face meeting with trade minister Ryutaro Hashimoto in a bid to defuse a wrangle between Washington and Tokyo over auto and atuo parts trade, Japanese Government officials said Saturday [13 May].

Brown proposed that he and Hashimoto meet when the two are in Paris at a meeting of economic ministers of the Organization for Economic Cooperation and Development (OECD), scheduled for May 23 and 24, officials at the Ministry of International Trade and Industry (MITI) said.

Brown is expected to make a last-ditch effort to alleviate the current standoff over the lopsided imbalance in the automobile and auto parts trade, they said.

But the officials said both ministers are expected to discuss a "wide range of bilateral topics," including auto and auto parts trade.

The reported contact followed Wednesday's announcement by Brown and U.S. Trade Representative Mickey Kantor that Washington will pursue a double-barreled strategy of slapping sanctions on selected Japanese products, while filing a complaint with the World Trade Organization.

Both the Japanese Government and auto industry reacted sharply to the announcement and the row is now threatening to evolve into a trade war between the two allies with a string of mutual retaliatory tariffs.

Hashimoto Plans To Meet Brown

OW1505013195 Tokyo KYODO in English 0119 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Trade minister Ryutaro Hashimoto said Monday [15 May] he plans to meet U.S. Commerce Secretary Ron Brown next week but their talks will not be limited to the bilateral auto trade row.

The Ministry of International Trade and Industry (MITI) chief said the timing is being arranged, based on a request from Brown to meet one-on-one when they are in Paris for a ministerial meeting may 23-24 of the Organization for Economic Cooperation and Development (OECD).

Addressing a news conference after the cabinet approved a supplementary fiscal 1995 budget for submission to the Diet, Hashimoto said he has received no request from U.S. Trade Representative Mickey Kantor to meet, joking, "I don't think that guy wants to meet me."

Hashimoto and Kantor met twice early this month in a failed attempt to reach agreement on the auto and auto parts issue. In the wake of the rupture, the U.S. said it will take a complaint to the World Trade Organization (WTO), alleging unfair Japanese trade practices, and will issue a list of items targeted for possible retaliatory sanctions.

Japan said it would file its own complaint with the WTO if Washington issues a list for possible "unilateral measures."

Asked about remarks by an unnamed senior MITI official that Japan may issue its own sanctions list, Hashimoto said, "it's better not to get emotional about it," repeating that he wants to react "calmly."

Hashimoto would not directly say whether Japan might slap countersanctions on the United States, but his comments were clearly cautious about the idea.

Although acknowledging an emotional desire to respond to sanctions tit-for-tat, he said, "while we're trying to establish WTO rules from here on, America is going to publish section 301 (trade law sanction targets) that are directly opposed to them. Is it good for the WTO for us to respond in kind?"

Japan "may fight all out" if the U.S. takes "irrational" action, Hashimoto said, but added, "some people are counseling us to make a list that will annoy America, but as much as possible, it's better not to get emotional about it."

The MITI chief, slated to leave Sunday for Paris and return the following Thursday, said his talks with Brown will cover a range of trade issues, noting, "I've got some things I'd like to say about patents."

Of the 2.73 trillion yen supplementary budget, meant to curb the soaring yen and help rebuild the quake-pummeled Kobe area, Hashimoto said he half expects it to be enacted in time for him to leave for the OECD meeting without difficulty and half expects Diet maneuvering to become "a headache."

The government is aiming to get the supplementary budget through the legislature by Friday, but the opposition Shinshinto (New Frontier Party) is indicating it wants to extend the Diet debate.

U.S. Officials Response Criticized

OW1205133595 Tokyo SANKEI SHIMBUN in Japanese 11 May 95 Morning Edition p 3

[By Kiyoshi Goshima]

[FBIS Translated Text] Since the U.S. announcement to impose sanctions against Japan following the ruptured Japan-U.S. negotiations on autos and auto parts, the issue has become more serious. Now that we are under pressure to reconstruct post-Cold War Japan-U.S. relations, both countries agree that they need to somehow find a compromise. But they are unable to find effective measures. The three ruling parties recently dispatched a mission — led by Kabun Muto, chairman of the Liberal Democratic Party's [LDP] Executive Council — to the United States to deal with the strong yen. But they were rather disappointed with the responses from U.S. officials, who lack understanding of the real situation in Japan and do not even feel a sense of crisis. Japanese Government and ruling party officials are becoming increasingly distrustful of and impatient with the United States.

Dull Response

"Is the trip costing you less because of the strong yen?" This is what Volcker, former chairman of the Federal Reserve Board (FRB), said at the beginning of his meeting with Muto other members of the mission. This comment shows very well that the U.S. officials are not taking the issue seriously.

Needless to say, Volcker and Secretary of the Treasury Robert Rubin understand that the current yen-dollar exchange rate is "not appropriate." But they are in a mood to give up hope, saying there is "nothing we can do about it." In addition to the fact that the United States is making smooth economic recovery, the dollar is still strong against the currencies of its neighboring countries. Therefore, the response from U.S. officials is dull.

Among other things, Muto persistently asked U.S. Trade Representative Mickey Kantor to increase the U.S. interest rate, saying: "You should not be satisfied just with the fact the dollar is strong against the currencies of its neighboring countries. The United States should be conscious of its international responsibilities." But Kantor's response was not quite satisfactory.

Japan Bashing

Every time he met with U.S. officials, Muto introduced the ruling parties' concept of forming an economic bloc, where the yen will be a key currency. Pointing out that the dollar will loose its function as a key currency should the value of the dollar continue to slide, Muto urged Kantor to introduce effective measures. But Assistant USTR Summers, who was at the meeting, cut in the conversation and quietly expressed his displeasure, saying: "It sounds like a threat to me."

Some people are sympathetic to Japan's claim and McDonough, (chairman of the Federal Reserve Bank of New York), said "the savings rate and the financial deficit of the United States are the fundamental problems." However, many U.S. measures, including measures to reduce the financial deficit and to increase the savings rate, cannot be immediate remedies. Therefore, McDonough called for nothing but Japanese measures, saying: "Only Japanese efforts will have immediate effects."

Lack of Understanding

When he heard explanations by the mission, Bill Bradley, U.S. senator and influential republican who criticized the Clinton administration for its "nonsensical Japan bashing," surprisingly said: "Did Japan lower its official discount rate as low as one percent?" Even Senator Bradley, who is sympathetic toward Japan and once said that "the dollar's current value is not good for the world," did not know that Japan had lowered its official discount rate. Many U.S. officials the members of the mission met did not know basic facts, including the fact that the amount of Japan's imports is increasing. Some officials in the government and the ruling parties entertained apprehensions about dispatching the mission. Young LDP members said: "what are they going to the United States for?" Some officials of the Ministry of Finance said: "The United States may make some special requests of them." However, it seems that the trip was not very fruitful.

Campaign Begins Against U.S. in EU

OW1205140595 Tokyo ASAHI SHIMBUN in Japanese 11 May 95 Evening Edition p 2

[By correspondent Yutaka Tominaga]

[FBIS Translated Text] Brussels, 11 May — On 11 May, the Mission of the Japanese Government to the European Union [EU] sent major European news media a briefing sheet criticizing the way the U.S. Government has handled the Japan-U.S. auto negotiations. The briefing sheet said the United States has intended to export large cars to the Japanese auto market and only two types of American-built cars have their steering wheels on the right-hand side, adding the large American-built cars are not in demand in the Japanese auto market. The briefing sheet also pointed to the lack of efforts on the part of the United States to sell its cars in the Japanese auto market, citing specific figures. The Mission of the Japanese Government to the EU has launched a publicity campaign after concluding that if the current auto trade dispute between Tokyo and Washington is referred to the World Trade Organization (WTO), reports by the European news media, and comments and views by the EU would be the main factor in the WTO's ruling on the auto trade dispute between the two countries. The briefing sheet consisted of three pages devoted to pin pointing the unfairness of the auto demands of the United States and ten pages devoted to proving the unfairness with statistics and graphics. The Mission began distributing the briefing sheet to about 30 newspapers and broadcasting stations beginning on 10 May.

Tomohiko Kobayashi, ambassador of the Mission, said: "There have been many reports in Europe that the Japanese market is closed, and those reports have been based on U.S. propaganda. We have decided to have Europeans understand what Japan asserts against the U.S. case. I plan to brief senior officials within the EU Commission in detail on Japan's position." The briefing sheet explained with graphics: 1) European-built cars, which had a 3.2 percent share in the U.S. auto market, had a 4.9 percent share of the Japanese auto market (in 1994); 2) Nearly 90 percent of American-built cars that are exported to Japan are large cars with an engine displacement of more than 3,000 cc, demand for which is less than 3 percent of the total car demand in the Japanese auto market; 3) The United States shares 29 percent of the Japanese market for large cars; and 4) While the steering wheels of more than 100 models of European-built cars sold on the Japanese auto market are on the right-hand side, only two types of American-built cars sold on the Japanese auto market have their steering wheels on the right-hand side.

The briefing sheet said, "If Japan goes along with U.S. auto demands, this would inflict unfairness on European automakers who have built their dealer networks in Japan on their own. Japan's acceptance of the U.S. auto demands may result in curbing its car imports from third countries." In this way, the briefing sheet has been compiled with European concerns taken into consideration.

Nissan Chief Interviewed

OW1405102995 Tokyo MAINICHI SHIMBUN in Japanese 13 May 95 Morning Edition p 8

[Interview with Nissan Motor Company Chairman Yutaka Kume by Economic News Department reporter Kazuo Otaka; place and date not given; first paragraph is MAINICHI SHIMBUN introduction]

[FBIS Translated Text] With the Japan-U.S. auto negotiations ending in a breakdown, Japanese-U.S. relations are likely to deteriorate to the point where the two countries take their cases to the World Trade Organization (WTO). Nissan Motor Company Chairman Yutaka Kume served as president of the Japan Automobile Manufacturers Association while presiding over the job of drawing up voluntary plans for the purchase of U.S.-made auto parts by Japanese automakers in 1992. MAINICHI SHIMBUN interviewed him about what caused the breakdown in the auto negotiations and clues to breaking the deadlock in the talks.

[Otaka] Would you explain why Japanese automakers worked out their respective voluntary plans to purchase American-made auto parts?

[Kume] (Then) President Bush visited Japan with a group of American business leaders in January 1992. At the time, "U.S. officials implored the Japanese Government to do something." At the behest of the Ministry of International Trade and Industry [MITI], each Japanese automaker drew up its voluntary plan to purchase American-made auto parts. Later, MITI transformed its voluntary plans into something like numerical targets to please the U.S. Government. The United States has interpreted their voluntary plans as a commitment. Therefore, Japanese automakers no longer want to work out such voluntary plans.

[Otaka] Why did the Japanese Government not go along with the U.S. demand for increasing the purchase of American-made auto parts by Japanese automakers?

[Kume] Our automakers cannot decide on the unit price of auto parts. Therefore, we cannot put forth the total amount of our purchase of American-made auto parts. Everyone knows about this. The latest Japan-U.S. auto negotiations were at the level of discussion that elementary school pupils hold.

[Otaka] The United States plans to file a complaint to the WTO against the closure of the Japanese auto market. What is your comment?

[Kume] In Japan, car dealers sell cars from their keiretsu automakers. U.S. Trade Representative Mickey Kantor has criticized this keiretsu car-sale practice as unacceptable. However, Japan has "imported" this practice of selling cars from the United States. In the United States, it is impossible to display General Motors-built Chevrolets at Ford showrooms.

[Otaka] What about auto parts?

[Kume] Japanese automakers have worked to buy more American- made auto parts. They have organized large teams to send to America in search of quality American-made auto parts. However, Kantor has not listened to Japanese automakers. The Big Three have instigated him to do so. If the Big Three fail to sell their cars because of the lack of effort, they look outside for the source of blame for their failure.

[Otaka] What do you mean by the lack of effort?

[Kume] Last February, I met with Ford President Smith in Washington. When I asked him why his company has not developed cars bound for the Japanese market, he said: "We see no reason to develop cars at a high cost that are expected to sell only in small numbers." Chrysler Chairman Eaton [name as published] told me: "We have neglected doing research on how to move into the Japanese market. We have been arrogant."

[Otaka] It is said that Japanese industries are united against the U.S. demand for an increase in the purchase of American-made auto parts by Japanese automakers. What do you think?

[Kume] All Japanese industries are supporting the attitude MITI has taken in the Japan-U.S. auto negotiations. If the breakdown of the auto negotiations adversely affect all Japanese industries, the auto industry will be criticized as a villain. Japan's trade surplus is the cause of the strong yen and automobiles are responsible for Japan's trade surplus. I hope Keidanren [the Federation of Economic Organizations of Japan] will survey how much the trade imbalance between Japan and the United States has affected the surge in the yen's value against the dollar.

[Otaka] What measures do you have in mind to patch up the soured relations with the United States?

[Kume] I am grateful to MITI for spurning the U.S. demand. If the soured relations are left untouched, this would hurt both countries. I support Japan setting a target of reducing its trade surplus with the United States. To that end, both Tokyo and Washington have to implement their comprehensive policies. I am opposed to the government allotting an individual target to each automaker. If Japan curbs its exports, this would result in scaling back Japan's economy. Japan should increase imports by relaxing regulations and expanding domestic demand.

MITI Strategy on Auto Dispute in WTO Viewed

OW1405110495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 May 95 Morning Edition p 3

[Unattributed article]

[FBIS Translated Text] If the United States publishes a list of Japanese products to be hit by U.S. punitive tariffs following the breakdown of the Japan-U.S. automobiles and auto parts negotiations, the Ministry of International Trade and Industry [MITI] plans to ask the World Trade Organization (WTO) to take an emergency procedure for the settlement of the auto trade dispute; the emergency procedure makes it possible for the international trade body to make recommendations to the United States at the earliest date. If the WTO chooses to take the emergency procedure, it takes at least six months before the Sub-Committee on the Settlement of Disputes (panel) makes recommendations. If Tokyo files a complaint with the WTO in mid-May, the recommendations would come in late November, at the earliest. MITI believes that the emergency procedure has the effect of keeping the United States from taking unilateral trade measures against Japan by making the WTO draw an early conclusion.

There are two procedures for the settlement of trade disputes in the WTO: the "ordinary procedure" and the "emergency procedure." In the ordinary procedure's case, it takes about one year before the WTO makes its recommendations following bilateral negotiations. If the United States appeals the recommendations, it takes several months before the WTO makes final recommendations. In the emergency procedure's case, however, it takes 6-9 months before the WTO makes the recommendations because of the shorter duration of bilateral negotiations and panel deliberation.

MITI has already firmed up plans to take Japan's case to the WTO if the United States releases a list of Japanese products to be hit by punitive U.S. tariffs. MITI has chosen to ask the WTO to take the emergency procedure with an eye on next fall's presidential election. President Clinton will start his election campaign this fall. MITI's view is that if a situation is created where the panel makes recommendations against Washington at the first stage of the campaign, the U.S. Government will have second thoughts about imposing sanctions against Japan out of consideration for the adverse effect of the recommendations on the campaign.

In the ordinary procedure, if Japan files the complaint with the WTO in mid-May, the panel will put forth its recommendations after next summer. There is a possibility that, depending on circumstances, it could take more than one and a half years before the panel decides on the recommendations. In that case, the U.S. Government can slap sanctions on Japan without fearing the adverse effect of the recommendations on the presidential election, thereby weakening the effect of jolting the U.S. Government by taking Japan's case to the WTO.

It is believed that the United States will actually impose sanctions against Japan after the summit of industrialized nations (the Halifax Summit), which is scheduled to be held in Canada in mid-June. Even if Japan takes its case to the WTO, the WTO would be unable to suspend the enforcement of the sanctions imposed by the United States against Japan. MITI believes that Japan needs to seek the WTO recommendations at an early date to minimize damage inflicted by the U.S. sanctions on Japanese enterprises.

Whether the WTO chooses the emergency procedure or not depends on Dispute Settlement Body (DSB) discussions to be held following bilateral negotiations. The WTO Accord sets the duration of bilateral negotiations to 60 days as a procedure for settling trade disputes. Japan can ask the WTO to establish a panel 20 days after the end of the bilateral negotiations. The DSB then holds a meeting attended by all WTO member nations to discuss whether or not to accept Japan's proposal for the emergency procedure.

The WTO Accord gives no clear conditions for approving the emergency procedure. The Accord only has a provision that the emergency procedure can be taken if "products subject to trade dispute are vulnerable to decay." Whether Japan takes the emergency procedure depends on the DSB's decision. MITI takes the view that since many nations are concerned about unilateral trade measures taken by the United States, no nation would oppose the Japan-proposed emergency procedure.

Positive Steps Urged for Resolving Trade Issues

OW1405105695 Tokyo MAINICHI SHIMBUN in Japanese 13 May 95 Morning Edition p 8

[Article by economic reporter Ichiro Igawa: "Position May Be Rational, But Criticism Against Surplus Remains"; second of two-part series entitled "Japan Said No in the Japan-U.S. Auto Negotiations, But...."]

[FBIS Translated Text] It was at the 9 May cabinet meeting, the first meeting after the spring holiday season. In the informal cabinet meeting, Ryutaro Hashimoto, minister of international trade and industry, reported on results of the Japan-U.S. ministerial talks on autos and auto parts, which had ended in failure, and many cabinet members expressed their support of the Ministry of International Trade and Industry's [MITI] position. Defense Agency Director General Tokuichiro Tamazawa said: "If no solution can be made from bilateral talks, you should do it pursuant to international rules." Transport Minister Shizuka Kamei said: "As a matter of reality, the trade minister's choice was the only one left to him."

On that same day, Yoshibumi Tsuji, acting chairman of the Japan Automobile Manufacturers Association (who is also president of Nissan Motor Company), called Prime Minister Tomiichi Murayama at the prime minister's office, and informed him: "We have no intention of upscaling the voluntary plans (to buy foreign-made parts)."

In this country, at present, there is almost no one who says Japan should compromise with the United States, abandoning the principle of "rejecting the voluntary plans." It appears that politicians and bureaucrats, as well as businessmen, now believe they have entered into a new era in Japan-U.S. trade relations.

However, also looming is the realization that the government's overall actions [in dealing with trade issues] are not good enough, however rational they may look in terms of trade rules. People cannot visualize how the problem of Japan's huge current- account surplus, which is the core of the Japan-U.S. frictions, can be resolved. Even if the World Trade Organization (WTO) comes to recognize the fairness in what Japan says, the fact remains that with the country's huge surplus left as it is, other countries' pressure on Japan to open up its markets will never cease, and the Japanese industry's fears about the yen value further going up will not be removed. The Ministry of Foreign Affairs [MOFA] keeps on saying that: "The auto issue represents one facet of the Japan-U.S. relationship"; this statement can be interpreted as the ministry's revelation of fears about the possibility of the auto issue impairing Japan-U.S. relations.

The 9 May issue of the British newspaper FINANCIAL TIMES warned that if Japan does not carry out the reform programs (like the one for deregulation) in a determined manner, (even if it wins the case at the WTO) the victory will be meaningless.

Even only on the question of autos and auto parts, views are divided as to whether the market's openness is adequate or not. The Transport Ministry (Minister Kamei) says the deregulation measures on vehicle inspections announced earlier "are enough to withstand international criticism; we have nothing to worry about," but general users still strongly believe the "vehicle inspections are too strict." The truth of the matter is that it is difficult to make a guess as to how the WTO will judge on the openness of the Japanese market in this area.

One senior MOFA official expressed concern about the possibility of the Japanese Government moving away from taking responsibility in the auto issue. He said: "Recently, Japan has become very introverted. I do not know if that has been caused by shocks from such incidents as the sarin poison attack and the big earthquake disasters. Even on the strong yen issue, even though Japan's responsibilities for the surplus are great, in fact, people conspicuously talk a lot about the United States being responsible for it.

It is obvious that the way to prevent the friction over the automobiles from having a bad impact [on Japan-U.S. relations] is for Japan to implement deregulation and economic restructuring. Yukio Okamoto, representative of Okamoto Associates, said: "The right way of doing things is for the top leaders of Japan and the United States to get together in a summit before the industrial nations' summit (Halifax summit), and to get to an agreement on overall economic issues, including deregulation." It should also be noted that many in the industry think the macroeconomic measures, including setting a target for reducing the surplus — the idea considered in April as a way of addressing the strong yen problem, but discarded — are desirable.

Even Prime Minister Murayama said regarding the auto issue that: "Bold deregulation measures are necessary." If the government does not want these words to end only as words, then there is no other way but for it to come up, without delay, with an aggressive strategy that can remove the image that "the Japanese market is closed." Translating international cooperation into reality is the way to resolve both the trade issue and Japan's intrinsic structural problem at the same time.

Tokyo, Washington Cooperate in Joint Projects

OW1505085395 Tokyo KYODO in English 0847 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Japan and the United States have agreed on three joint industrial technology projects under the "common agenda" portion of bilateral framework talks, both sides said Monday.

Institutes affiliated with Japan's Ministry of International Trade and Industry (MITI) and the U.S. Commerce Department inked the agreements for joint research and development on measurement technologies, ceramics processing and fusing carbon and carbon composite materials to machine elements, they said.

The agreements were signed May 5 by Takashi Honjo, director of the International Research and Cooperation and Development Division at MITI's Industrial Science and Technology Agency, and Phyllis Genther Yoshida, director of Asia-Pacific Technology Programs at the Commerce Department's Technology Administration.

Researchers will compare "accelerometer calibration and characterization methodologies" in seeking instrumentation to be used as a transfer standard, others will seek a low-cost process for developing high-performance aluminum nitride ceramics and the third project aims at a manufacturing technique for fusing carbon and carbon composite materials to machine elements.

Editorial Urges 'Calm Response' Over Auto Talks

OW1305160395 Tokyo ASAHI SHIMBUN in Japanese 12 May 95 Morning Edition p 5

[Editorial: "Calm Response Urged To Deal With Auto Friction"]

[FBIS Translated Text] Now that Japan-U.S. talks on autos and auto parts have ruptured, the United States has launched a two- pronged strategy of filing a complaint with the World Trade Organization (WTO) about the closed nature of the Japanese market in addition to imposing sanctions under Section 301 of the U.S. Omnibus Trade Act. Saying that it views such sanctions as a violation of the WTO accord, Japan is also firmly maintaining its policy of lodging a complaint with the WTO if the United States announces a list of items to be subjected to trade sanctions.

It is possible that the issue may develop into a large-scale trade dispute between the world's two largest auto producers at the WTO, an international trade system which was formed only last year.

In February last year, then Prime Minister Morihiro Hosokawa, in summit talks with President Clinton, failed to come to an agreement over the new round of economic talks, which included auto trade. At that time, the United States called for "numerical targets" as a measure of the openness of the Japanese market. But Japan consistently said "no" to the demand. This led some people to say that it was the beginning of a mature and equal Japan-U.S. relationship.

Again, failure in the recent talks resulted from Japan's refusal to give in to U.S. demands to increase the procurement of foreign auto parts by Japanese automakers on grounds that it was something "in which the government should not intervene." It has become quite clear that bilateral relations have become increasingly cool, rather than mature, with both sides saying "no" to each other.

Needless to say, neither country should panic. In view of the importance of Japan-U.S. relations, however, it would be desirable for the two countries to avoid escalating the conflict into open hostility. The two countries should continue to exert efforts to reach a solution by themselves at the WTO or at other venues.

It seems that there are many tactical elements associated with the two countries' hard-line stances. The United States has as many as 45 days before it actually lodges a complaint with the WTO or any other organization. Even after the United States begins the actual process of filing a complaint, the two countries will begin by talking with each other.

The first thing the two countries should do is continue talks in search of a fair solution while keeping in mind the gravity of the complaint filed with the WTO, an organization which is susceptible to world opinion. If Japan and the U.S. fail to come to an agreement even then, the two countries can proceed with formalities for a solution of the dispute in a businesslike manner under the new WTO rules.

It seems that the United States has suddenly launched a policy of filing a complaint with the WTO because there is a strong possibility that it may lose if the dispute at the WTO focuses primarily on the issue of U.S. sanctions under Section 301. There is also mounting criticism against the possibility of U.S. sanctions both inside and outside the United States.

Unlike the GATT, the WTO agreement would find unilateral action illegal, thus making a complainant's contention more likely to be accepted. The United States is filing a complaint against Japan's allegedly unfair trade practices, which have been criticized internationally, presumably in order to avoid its Section 301 coming under scrutiny alone.

Seen in that light, the WTO agreement, which has clarified procedures for solving disputes, has already been effective in trade negotiations.

Nevertheless, the United States says it will take measures such as imposing high tariffs. It makes sense for

Ryutaro Hashimoto, minister of the International Trade and Industry [MITI], to criticize the United States, saying: "The United States is inconsistent in taking retaliatory action in violation of WTO rules and filing a complaint with the WTO." However, the United States intends to file an official complaint only after the summit meeting of the Group of Seven industrialized countries to be held in Halifax, Canada, in mid-June, probably because it expects a solution to the dispute through bilateral talks before the summit.

Japan can refuse the numerical targets which the United States has urged. It should, however, also take positive steps that will satisfy the other side, such as pressing ahead with deregulation, so that imports of U.S. automobiles and procurement of U.S. parts would in fact increase.

The huge trade imbalance that lies behind the friction in auto trade is also attributed to the slow recovery of the Japanese economy. Needless to say, the imbalance in auto trade, which accounts for half of the U.S. trade deficit with Japan, is an indication that Japan must stimulate its domestic demand.

Keidanren Seeks Weapons Parts Export to U.S

OW1405094495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 May 95 Morning Edition p 1

[FBIS Translated Text] On 11 May, Keidanren [the Federation of Economic Organizations of Japan] sent Defense Agency [DA] Director General Tokuichiro Tamazawa a statement calling for the joint development and production of defense equipment with the United States. With regard to parts that are necessary for the joint development and production of military hardware, the statement asked the DA to flexibly handle the "three principles" prohibiting Japan from exporting weapons so as to permit the export of parts to the United States. On the evening of 11 May, a senior DA official said, "Some U.S. firms have asked Japan to export the parts to the United States," and made it clear that the DA is willing to study the possibility of reinterpreting the three principles from the standpoint of strengthening Japan-U.S. security arrangements. The reinterpretation of the three principles, though limited, is likely to spark controversy at home.

Compiled by the Keidanren Defense Production Committee (headed by Yotaro Iida), the statement called on the government to plan for a defense capability buildup at an early date and make the plan public to maintain the foundation for the production and technology of the Japanese defense industry. The statement asserted that weapons have become more sophisticated and expensive than ever following cuts in defense spending and the government must create a climate for Japanese defense contractors to develop and produce weapons jointly with the United States (to share the risk of developing military hardware).

Specifically, the statement said it is necessary to resolve problems involving 1) implementation of the export control policy; 2) handling of joint development and production results; 3) and protection of civilian technology rights held by Japanese firms that participate in the joint development and production. Explaining the purpose of item #1, Keidanren said it aims to flexibly handle the three principles to permit the export of parts necessary for the joint development and production. Electronics and other products, which can be used both for military and commercial purposes, are likely to become a focus of the reinterpretation.

The same senior DA official said the DA would specifically study the possibility of reinterpreting the three principles and added that, "if the export of parts to the United States results in strengthening Japan-U.S. security arrangements and maintaining the foundation of the Japanese defense industry, we will welcome them."

Japan has upheld the three principles banning the export of weapons as a basic policy since 1967. Many senior defense industry officials have supported the three principles, saying: "Japan is unable to take the risk of exporting weapons." At Washington's request, however, the exchange of defense technology started between Japan and the United States in the 1980's and the two countries embarked on the joint development of the next-generation support fighter (FSX). In 1983, Japan began to supply only the United States with samples under an agreement reached between the two countries. Yet, the possibility is strong that the review of the three principles will raise wariness in Japan's Asian neighbors and the danger exists that parts exported by Japan could end up in third countries.

Tokyo, Denmark Agree To Strengthen Mutual Ties

OW1505044395 Tokyo KYODO in English 0351 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Denmark's Foreign Minister Niels Petersen and Japanese Foreign Minister Yohei Kono agreed Monday [15 May] that Denmark and Japan should strengthen their bilateral political dialogue, a Foreign Ministry official said.

Kono and Petersen agreed on the need for expanded ties during 30 minutes of talks at the Foreign Ministry.

Petersen, accompanied by 30 Danish business leaders, is in Japan from Sunday through Tuesday, to attend a Japan-Denmark industrial symposium.

The Danish foreign minister told Kono that the entry of Sweden and Finland to the European Union (EU) has strengthened the Nordic states' role in Europe, the official said.

The Nordic states' increased role would, in turn, affect the ties between Japan and the EU and the EU's trade policy toward Japan because the Nordic countries advocate free trade, he was quoted as saying.

He also told Kono that the Nordic states favor the expansion of EU membership to central and east European countries, the official said.

Kono told Petersen that Japan wants to boost ties with the Nordic states and that it is watching their active role in the EU in a favorable light.

He said, however, that the EU should be open to regions outside of the EU even after it is expanded and strengthened.

Police Report Balloons Believed From Korea

OW1305130095 Tokyo KYODO in English
1204 GMT 13 May 95

[FBIS Transcribed Text] Osaka, May 13 KYODO — More than two dozen vinyl balloons, believed released from the Korean peninsula, landed across extensive areas of Japan on Saturday [13 May], police said.

Police officials said a total of 30 balloons of about 6 meters in length and 2 meters in diameter were recovered in 13 of Japan's 47 prefectures.

They said the incident reminded them of a similar case in which many balloons flew in from the direction of the Korean peninsula several years ago.

In Osaka, a transparent, cylindrical balloon with a 20-centimeter-long plastic tube attached landed on the grounds of a private kindergarten at around 11:30 A.M.

About 20 primary school pupils were playing soccer there but all escaped injury, the officials said.

Similar balloons were found in other prefectures, including Hyogo and Kyoto in western Japan, Tottori and Ishikawa along the Sea of Japan coast, and Kanagawa, west of Tokyo.

Protest Against PRC for Nuclear Test Reported

Tokyo Blasts Underground Test

OW1505082495 Tokyo KYODO in English
0816 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Japan on Monday [15 May] blasted China for its underground nuclear test, saying it came at a time when the world is striving to totally ban nuclear weapons.

"China's nuclear experiment is quite regrettable," Chief Cabinet Secretary Kozo Igarashi said at a news conference, adding that Vice Foreign Minister Kunihiko Saito will lodge a formal protest against Beijing through the Chinese Embassy in Tokyo. China announced the test earlier in the day. It was the first nuclear test since last October.

Japan has repeatedly urged China to halt its nuclear testing program. Most recently, Prime Minister Tomiichi Murayama made a similar call when he conferred with Premier Li Peng in Beijing earlier this month.

Further on Protest

OW1505100495 Tokyo KYODO in English
0954 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Japan lodged a protest with China for conducting an underground nuclear test on Monday and expressed concern that bilateral ties would be damaged, a Foreign Ministry official said.

Vice Foreign Minister Kunihiko Saito conveyed the protest to acting Chinese Ambassador to Tokyo Wu Dawei after the Meteorological Agency confirmed the nuclear testing, the official said.

Saito told Wu it is "extremely regrettable" that China went ahead with the nuclear experiment just days after a United Nations-sponsored conference approved the indefinite extension of the Nuclear Nonproliferation Treaty (NPT), which is aimed at preventing the spread of nuclear weapons, the official said.

The latest testing is also particularly unfortunate because it came shortly after Prime Minister Tomiichi Murayama visited China and directly asked Chinese Premier Li Peng to stop nuclear testing, Saito was quoted as saying.

"Unfortunately, the nuclear testing would harm the fruits of Prime Minister Murayama's visit to China. It may also affect the overall bilateral relations," Saito was quoted as saying.

Saito told a press conference later in the day that Japan will study whether to take further actions against

China, including concerning its economic cooperation with China, in connection with the latest testing.

Japan and China agreed last December on the new set of Japanese loans totaling 580 billion yen for the fiscal 1996-1998 period.

Japan has a guideline for extending Official Development Assistance (ODA) which calls for taking into account the recipient countries' disarmament efforts.

Saito said he told Wu there is fear the Japanese people may not support extending economic aid to China because the Japanese ODA is disbursed from taxpayers' money.

In the talks with Wu, Saito indicated that Japan plans to send the foreign ministry official in charge of disarmament to China to seek ways to discuss nuclear problems between the two countries, the ministry official said.

Last year, Saito proposed holding bilateral meetings to discuss nuclear problems, but China has yet to respond to the proposal, the official said.

Wu told Saito that he will immediately convey the Japanese protest to Beijing but repeated China's stance that it has been exercising restraint in conducting the tests and that it supports the total abolishment of nuclear weapons.

Wu also told Saito that China plans to stop the nuclear experiments when the Comprehensive Test Ban Treaty (CTBT) comes into effect, the official said. Wu also expressed hope the nuclear testing would not affect Sino-Japanese ties and that the ties continue to develop in a sound way.

NEC Increasing 4-M Dram Chips Output in China

OW1505080295 Tokyo KYODO in English
0751 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — NEC Corp. will increase its joint-venture production of four-megabit [M] dynamic random access memory (dram) chips in China by 70 percent to one million pieces a month, beginning this fall, company officials said Monday.

The joint venture, Shougang NEC Electronics Co., is currently churning out 600,000 such chips a month with Japanese-made parts, selling one-third of the products in China and exporting the rest. The officials said the production increase is aimed at the growing demand for the chips in China for use in personal computers.

Commentator on Tokyo's Stance on EAEC Concept

OW1205124995 Tokyo YOMIURI SHIMBUN
in Japanese 9 May 95 Morning Edition p 16

[Interview with Taro Yayama, political commentator, by unidentified YOMIURI SHIMBUN reporter; place, date not given]

[FBIS Translated Text] [YOMIURI SHIMBUN] Would you explain the attributes of the EAEC [East Asia Economic Caucus] concept?

[Yayama] In 1989, then Prime Minister Robert Hawke of Australia proposed the Asia-Pacific Economic Cooperation [APEC] forum as a framework for regional economic cooperation. The EAEC is also a forum for regional economic cooperation, but it is a concept only for nations in Asia — excluding the United States, Canada, Australia, and New Zealand — which are APEC member nations.

These proposed groups can be described as fora for discussing regional economic cooperation on different scales. But I think I can discern Asianism or strong anti-U.S. feelings and racial discrimination behind the economic issues. I think these organizations are also different in kind.

There is no reason for excluding Australia and New Zealand from the standpoint of Asian geopolitics. If only economic issues are to be discussed, there is no need to establish different fora, and it will be a total loss if the larger forum is destroyed by the formation of smaller ones.

[YOMIURI SHIMBUN] What do you think of the strong U.S. opposition to the concept?

[Yayama] I think that not only the United States but also Australia and New Zealand are distressed by the proposed concept. Generally speaking, it is a mistake to think of creating a forum for Asian nations only.

I guess the concept was proposed because such economic blocs as the European Union [EU] and the North American Free Trade Agreement [NAFTA] were formed. However, an economic community among the Asian nations is improbable because of the wide gaps in levels of economic development among the nations.

It is impossible to think of the Asian economies without taking the U.S. role into consideration. The ties between Asia and the United States are much deeper than those between Asia and Japan. The total amount of exports to the United States from Asian nations excluding Japan reached 21.5 percent in 1992. This is much higher figure than that of exports to Japan, which stood at 12.7

percent. Asian nations could not have prospered without the support of the United States.

[YOMIURI SHIMBUN] Taking U.S. opposition into consideration, Japan is taking a cautious stance on supporting the EAEC. What do you think of this?

[Yayama] The most important thing for Japanese diplomacy is how to develop the EAEC concept into a harmless forum, while saving the face of Malaysian Prime Minister Mahathir. It is not necessary for some people to create a new group to discuss issues in a smaller forum when an effective forum already exists. If such a group is formed, it may give rise to gross misunderstanding. I think it is natural that Japan should try not to be too positively involved in such a concept.

GATT was established following the end of World War II, and the World Trade Organization (WTO) was established last January. In the first place, these organizations were formed in the spirit of deterring the formation of economic blocs. The United States cannot confine itself only within the forum of NAFTA if it is also included in a larger forum such as APEC.

What is necessary at present is the formation of larger fora rather than smaller ones. I think it is desirable for the whole world to participate in such a large forum as the WTO. The EU as well as NAFTA are just steps in the process of developing such a global organization. It is pathetic to regard one step as an ultimate goal.

[YOMIURI SHIMBUN] It is said that it is anachronistic to use the expressions America or Asia in the post-Cold War era. Do you object to such an idea?

[Yayama] Another problem involving the EAEC concept is that it lacks a vision for the issue of security. Japan is surrounded by nuclear powers such as China and Russia, and the DPRK (North Korea) is increasingly being suspected of possessing nuclear arms.

In a speech delivered in Japan last November, former Prime Minister Lee Kuan Yew of Singapore said: "Stability (in the Asian region) can only be maintained under the situation of a (three-nation) balance between Japan and the United States on one hand and China on the other. He hoped that Japan and the United States would counterbalance the power of China, taking into consideration the latter's future potential. I think the presence of the United States is necessary for Asia in the foreseeable future.

[YOMIURI SHIMBUN] Tell us about your views on the future course of Japan and its role in the world.

[Yayama] I think that growth in Asia, including China and Vietnam, is much higher than in other regions and is on the right track. Ties with Asian nations are going well. However, improvements are needed in the ties between Japan and the United States.

Japan has made every possible effort for the time being to deal with the yen hike. The problem is the continuous balance-of-payments surplus worth $130 billion. The issue of the yen appreciation will not be solved unless Japan reforms its basic economic structure. While Japan invests in the Asian nations, the United States purchases the products of these nations. Some observers voice the idea of promoting the yen as a key currency but I think the yen lacks the basic conditions, compared to the pound sterling in the past and the U.S. dollar at present.

If Japan hopes to supersede the United States in playing a major role in Asia, Japan should promote thorough market opening so as to be a good customer for Asian products. Consequently, three currencies — the dollar, the mark, and the yen — can work together as key currencies. What Japan can do now is listen to ideas that can only be discussed among the EAEC members and act as a meditator to convey them to the United States, even if the United States does not like the ideas.

AEC Preparing for Exports of Nuclear Equipment

OW1205112395 Tokyo ASAHI SHIMBUN
in Japanese 9 May 95 Morning Edition p 3

[FBIS Translated Text] The Atomic Energy Commission [AEC] (chaired by Science and Technology Agency [STA] Director General Makiko Tanaka) has decided to prepare a framework for cooperation with developing countries in Asia which are eager toward developing nuclear power generation. The AEC plans to form the Subcommittee for International Cooperation (tentative name) as early as June to establish standards and conditions for extending cooperation. There is a fear that exporting equipment which will be used for nuclear power stations and transferring technologies would lead to nuclear proliferation. As Japan did not have clear-cut guidelines in the past, its cooperation has been limited to information exchanges and providing training to concerned personnel.

In the past, the UK, France, the United States, and Canada exported equipment and extended their cooperation to the Asian region. Although Japanese company Mitsubishi Heavy Industries Ltd. once sold pressurizers to the Taishan Nuclear Power Station in China, Japan's cooperation has been limited so far mainly to providing technical information and training to those who are in charge of operations and control of nuclear power stations.

China and South Korea, which are aggravated by a shortage of energy essential for their economic development, are planning to build more nuclear power stations, while Indonesia, Thailand, and Vietnam intend to construct their first ones. By early in the 21st century, the number of nuclear power stations in Asian nations including Japan is likely to be over 120, exceeding that in the United States. In addition, China, which possesses nuclear arms, is considering recycling plutonium. Under such circumstances, concern over the possibility of nuclear proliferation is increasing.

The AEC subcommittee will clarify standards for exporting devices used at nuclear power stations, as well as conditions that Japan will impose on its trade partners. On the premise that trade partners join the nuclear Nonproliferation Treaty (NPT), the panel will examine the following in detail: partners' stances toward inspections by the International Atomic Energy Agency (IAEA); how nuclear materials are protected; technical standards; and nuclear power control systems. Based on this examination, it will devise a guideline for "assessing" in what form and to what extent Japan can cooperate with individual countries.

In April, the STA started deliberations on its cooperation with the Asian region. The Working Group on International Affairs of the Atomic Energy Subcommittee under the Energy Council, which is an advisory organ to the international trade and industry minister, is also discussing this issue. In view of their discussions, the AEC subcommittee will draw up a report within one or two years.

Holding Firm Invests in SRV Security Service

OW1305114095 Tokyo KYODO in English 0924 GMT 13 May 95

[FBIS Transcribed Text] Hanoi, May 13 KYODO — Japan's Kotobuki Holding Co. has set up a joint venture Vietnam Thang Long Sepre 24 in Vietnam to provide private security services, company representatives said Saturday [13 May].

The representatives said the joint venture company, formed with Vietnamese company Thang Long under the Ministry of Interior, opened a representative office in Hanoi on Thursday.

The company intends to train some 1,000 security guards within the year for posting to private companies, banks and even embassies, with equipment and technical expertise provided by the Kobe-based Japanese company Sepre 24.

Sepre 24 belongs to the Kotobuki group with a network of confectionery stores and restaurants in the Kansai area, western Japan.

The joint venture, which is the first of its kind in Vietnam, also plans to open offices in Ho Chi Minh City, Haiphong and Vung Tau in the future.

Editorial on Measures To Cut Trade Surplus

OW1205064495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 10 May 95 Morning Edition p 2

[Editorial: "Set Up Numerical Targets To Remedy the Trade Imbalance"]

[FBIS Translated Text] Recent confusion in the foreign exchange market is mainly because advanced nations do not pay much attention to trade balance. Japan and the United States are especially guilty of creating such an atmosphere, and they must try their best to remedy the trade imbalance.

To clarify a resolve to achieve the objective, Japan and the United States should announce numerical targets to reduce their trade surplus and deficit.

Friction between Japan and the United States tends to take place when Japan's trade surplus reaches 2 percent of the nation's GDP, and to become worse when the figure exceeds 3 percent. When that happened for four consecutive years beginning in FY84, bilateral trade friction intensified over semiconductors, and in 1986, the two nations signed the bilateral semiconductor agreement, which clearly refers to "numerical targets."

The last excessive trade surplus over the 3 percent level took place in FY92. While data for FY94 is not available yet, a government estimated Japan's trade surplus in FY94 at 2.7 percent, and at 2.4 percent in FY95. Nevertheless, it is becoming very difficult to realize the figures predicted by the government because of the rapid appreciation of the yen rate and the slowdown in economic recovery.

Under such circumstances, the government must dispel the concerns of the foreign and domestic markets by introducing measures for achieving a trade surplus below 2 percent of the GDP.

The presence of a current accounts surplus shows that the surplus of domestic consumption (oversavings) can be used on real estate and stock investments overseas.

In other words, we must choose whether our precious savings should be spent in the domestic market or the overseas market. Throughout the postwar period, Japan has been promoting the so- called full-set industrial policy, which fosters every kind of industry at home. To carry out the policy, it was necessary to promote exports and control imports. The policy inevitably increases trade and current account surpluses, but this helped

Japan catch up with advanced nations during the high-growth period.

However, the policy created a huge current accounts surplus in the process of Japan's growth into a matured economy. To reduce the trade surplus, Japan must transform the full-set industrial policy into a new policy intended for international division of labor. This means Japan must abolish various business-related restrictions and liberalize the domestic market in a drastic manner. In addition, pump-priming measures should be taken with positive implementation of fiscal and monetary policies.

An estimate by NEEDS (comprehensive economic databank of NIHON KEIZAI SHIMBUN Inc.) says: 1) Additional spending for public works projects worth 1 trillion yen could cut Japan's trade surplus by $1.3 billion; 2) another 0.75 percent reduction of the official discount rate could cut the trade surplus by $1 billion; and 3) a 10 percent reduction of all utility fees could cut the trade surplus by $2.2 billion.y

It is absolutely possible to lower the trade surplus to below 2 percent of GDP using macroeconomic measures.

Murayama: G-7 Accord Working To Calm Yen Rise

OW1205023695 Tokyo KYODO in English
0212 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — Prime Minister Tomiichi Murayama said Friday [12 May] an agreement by the finance ministers and central bank governors of the Group of Seven (G-7) industrialized nations is finally working to calm the yen's rise on foreign exchanges.

"I think it is a reflection of the agreement among the G-7 (reached earlier this month) that the current high level of the yen does not fit (Japan's) economic fundamentals," Murayama told reporters.

He was commenting on the yen's fall to the 85 yen level against the U.S. dollar in overnight trading in New York that also brought down the rate in early Friday trading in Tokyo to the 85 yen level for the first time since mid-April.

Bill To Ease Small-Firm Restructuring Approved

OW1505030195 Tokyo KYODO in English
0252 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — The government approved a bill Monday [15 May] to make more small and midsize companies eligible for help in restructuring to damage from the high yen.

The bill, part of the government's measures to curb or cope with the soaring yen, eases the conditions under which smaller companies can receive help in restructuring their operations.

The measure revises a 1993 smaller-firm restructuring law, drafted by the Ministry of International Trade and Industry's small and medium enterprise agency, that provides aid to small and medium-sized companies hurt by "structural changes in the economy" and is meant to help them adapt to new sectors or overseas-related business.

Under the bill, to be submitted to the current Diet session and take effect immediately upon enactment, companies that saw their sales fall at least 5 percent in the most recent three months from the same period a year earlier would be eligible for help, rather than the current 10 percent-decline threshold.

The measures would provide tax breaks and extended repayment periods on loans from government-affiliated lenders for companies with capital of 100 million yen or less and 300 or fewer employees in the manufacturing, printing, information processing services and computer software sectors, agency officials said.

As of the end of March, the restructuring law had been applied in 1,340 cases, officials said.

Small Companies Told To Seek New Businesses

OW1205010095 Tokyo KYODO in English
0011 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — Smaller companies hit hard by the high yen and other structural factors cannot hope simply to weather current hard times but should actively foster new lines of business, the government said Friday [12 May].

Although particularly vulnerable, small and medium-size companies can contribute greatly to Japan's economic restructuring if they seize timely opportunities, the small and medium enterprise agency of the Ministry of International Trade and Industry (MITI) said.

In an annual white paper on smaller companies, submitted to the cabinet by MITI Minister Ryutaro Hashimoto and adopted at a morning meeting, the agency said that while Japan's economy gradually recovers, "Movements toward recovery for small and medium-size companies are extremely sluggish."

And because of structural changes transforming the economy, small and medium-size companies in all kinds of industries "are brimming with a sense of occlusion," the report says.

Production remains fitful, recovery in capital spending is slow and the soaring yen and January's Kobe earthquake are a cause for concern, the report says. The long-dragging process of clearing bloated inventories also retards recovery, it says.

It is "dangerous" for small companies to take the attitude that "If we persevere, business conditions will eventually turn better," it says.

Instead, it counsels smaller companies to use their flexibility to develop new lines of business, develop new technologies and be ready to join bigger companies in developing overseas business.

Smaller companies are being called upon to use their wits more than in previous eras when there were clearly dominant leading sectors to pull the economy in their wake, an agency official said.

Moreover, although the report was prepared after the dollar sank below 90 yen, it was written before the U.S. currency fell to its current range in the low 80s against the yen, the official said.

The high yen makes Asian imports more competitive, pummeling the profits of Japan's subcontractors and other small companies and depressing exports, the report says.

The report depicts a "hollowing out" of Japanese industrial subcontractors as manufacturers move overseas. Manufacturers going abroad used to get parts and major equipment from suppliers in Japan but as more companies build facilities abroad they are increasingly developing local supply channels, it notes.

Many small and medium-size companies have found no effective plan to cope with the surging yen, despite forward-looking movements by some to develop new products, procure their own parts from abroad and set up production in lower cost countries, the report says.

The structural effects of all the recent economic changes are hitting the full spectrum of smaller companies, it says.

Besides the high yen, it cites changes in the traditional distribution system, which critics have long charged is an overly complicated network with excessive regulations protecting smaller companies at the expense of consumers.

High Yen Weakens Firms Overseas Competitiveness

OW1105123595 Tokyo KYODO in English
1155 GMT 11 May 95

[FBIS Transcribed Text] Tokyo, May 11 KYODO — Japanese companies won orders for only 27.3 percent of foreign construction projects financed by low-interest yen loans in fiscal 1994, ended March 31, down 1.9 percentage points from the previous year and the lowest on record, the Foreign Ministry reported Thursday [11 May].

The decrease reflects the yen's steep appreciation, which has weakened Japanese companies' competitiveness in international tenders for dam, port, road and other construction projects subject to yen loans, ministry officials said.

Yen credits used to be criticized by other countries as a way for Japan to promote exports because they involved a high "tied" portion requiring the procurement of materials exclusively from Japanese suppliers. In fiscal 1986 when the "untied" portion of yen loans was only 50 percent, Japanese firms won 67 percent of projects.

But along with subsequent rises in the untied portion, which now stands at 97 percent, and the yen's appreciation, the ratio of projects awarded to Japanese companies began its downward trend and fell below 30 percent in fiscal 1994.

In contrast, the ratio of orders won by companies in developing nations set an all-time high of 57.0 percent in fiscal 1994, compared with 24 percent in fiscal 1986 and 52.7 percent in fiscal 1993, the ministry said.

Disclosure of Problem Loan Amounts Discussed

OW1205134695 Tokyo KYODO in English
1237 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — A Finance Ministry advisory group recommended in a report compiled Friday [12 May] that all financial institutions be required to publish the amounts of loans on which they have waived or reduced interest payments to help the debtors.

The report said the requirement should apply to loans on which interest payments have been waived or reduced to a level below the official discount rate.

A copy of the report, compiled by a working group of the financial system research council, was obtained by KYODO NEWS SERVICE.

The report also said all credit unions and credit associations, like ordinary commercial banks, should be required to disclose detailed financial information, including problem loans and derivatives trading.

Credit unions and credit associations are not required at present to disclose such information, unlike other financial institutions.

The working group, which has been studying standards for public disclosure of bad loans and trading in financial derivatives, urged that the recommendations be implemented in March 1996.

Officials said the proposed disclosure of information on loans is intended to speed up bailout measures for financially troubled housing loan companies.

Financial institutions have already announced the amounts of their bad loans.

The report said that regional banks, as well as leading commercial banks, should be required to disclose information on their problem loans on which interest payments are more than six months in arrears.

Loans From 'Tainted' Credit Unions Discussed

OW1205140995 Tokyo KYODO in English
1341 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — A golf firm passed on half of the 20.3 billion yen it obtained through dubious loans from two scandal-tainted credit unions to six other firms linked with the former heads of the financial institutions, investigation sources said Friday [12 May].

The golf course management firm was named by the Tokyo metropolitan government last November as the largest recipient of unrecoverable loans from the credit unions — Tokyo Kyowa Credit Association and Anzen Credit Bank.

Of the 20.3 billion yen in loans, some 11.39 billion yen were redistributed to four firms affiliated with Harunori Takahashi, the former president of Tokyo Kyowa, and two firms tied with Shinsuke Suzuki, the former president of Anzen Credit.

Takahashi himself ordered the golf firm, with which he also has close ties, to offer part of the 20.3 billion yen loans to the four firms, the sources said.

The golf firm used only 6 billion yen out of the 20.3 billion yen for its own project to develop a golf course, the sources said.

According to a survey by the metropolitan government released last November, the golf firm, based in Chiba Prefecture, east of Tokyo, was loaned 19.37 billion yen by Tokyo Kyowa and 1.01 billion yen by Anzen Credit.

The alleged handover was discovered through investigations by the Tokyo District Public Prosecutors Office into the golf firm in connection with complaints filed against the two former heads of the credit unions for alleged breach of trust, the sources said.

In February, the credit unions filed complaints with prosecutors and police against Takahashi and Suzuki, accusing the two men of granting illegal loans without sufficient collateral.

According to the metropolitan government, which supervises the credit unions, the two institutions are saddled with 110 billion yen in unrecoverable loans.

The two credit unions have been absorbed into Tokyo Kyodou Bank, which was set up as part of a central government-led rescue plan.

Tokyo Praises Indefinite Extension of NPT

OW1205021995 Tokyo KYODO in English
0206 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — Japan welcomed Friday [12 May] the accord at a U.N. conference on the indefinite extension of the nuclear Nonproliferation Treaty (NPT) and vowed continued efforts to stop the spread of nuclear weapons and promote nuclear disarmament.

"We welcome the fact that the indefinite extension of the NPT was approved by consensus," Foreign Minister Yohei Kono told a press conference.

It is important that the decision was reached "by consensus, not by a narrow majority," Kono said, because it gives greater meaning to the treaty.

Japan is the only country in the world to have suffered from an atomic bombing and has been supporting the treaty's indefinite extension.

But the two bombed cities of Hiroshima and Nagasaki have been opposed to the limitless extension of the treaty, arguing that nuclear states have not disarmed themselves, calling for more frequent reviews of the pact.

Kono said he thinks the latest decision on the pact could win support from those two cities, citing the fact the accord placed increased importance on strengthening the reviewing process of the treaty while also extending it indefinitely.

"We have to maintain this system. Without the NPT, the number of countries possessing nuclear arms may increase," Kono said. "We have to acknowledge the fact that the treaty has not increased the number of nuclear states up to now."

Kono also urged all nuclear states to make further efforts toward nuclear disarmament so that nuclear weapons will ultimately be abolished altogether.

The 178-member NPT, which came into force in 1970, had been under review at a conference since April 12.

The treaty prohibits nonnuclear states from producing, acquiring or possessing nuclear weapons but allows the five declared nuclear powers — Britain, China, France, Russia and the United States — to have them, although they are asked to reduce their arsenals.

Tokyo Accedes to Nuclear Power Plant Safety

OW1205144995 Tokyo KYODO in English 1429 GMT 12 May 95

[FBIS Transcribed Text] Geneva, May 12 KYODO — The Japanese Government acceded to an international treaty on the safety of nuclear power plants by depositing a document of acceptance of the 1994 treaty Friday [12 May], the International Atomic Energy Agency (IAEA) said.

The Convention on Nuclear Safety, which Japan signed last September and ratified in April, is designed to place the control and operation of nuclear power plants within an international framework, thereby improving their safety.

The convention will take effect after 22 signatories, including 17 countries possessing nuclear plants, ratify it.

So far, 57 countries have signed the treaty, with four ratifying it.

The IAEA expects the treaty to take effect before the end of this year, according to the UN nuclear watchdog.

Tamazawa on Easing of Principles on Arms Exports

OW1305135795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 12 May 95 Evening Edition p 3

[FBIS Translated Text] At a 12 May news conference after a cabinet meeting, Defense Agency Director General Tokuichiro Tamazawa stated the Government has no intention of easing the existing "three principles on arms exports." He made the remarks in response to a Keidanren [Federation of Economic Organizations of Japan] request that the government ease the three principles of banning arms exports so that the defense industry will be able to export to the United States parts necessary for the joint development and production of weapons.

The Japanese defense industry has suffered from a decrease in demand for arms parts because the Self-Defense Forces' front armament spending has tended to be cut over the last several years. The industry, which is eager to be allowed to export arms parts to the United States to maintain its production base, made the request to Tamazawa on 11 May. Tamazawa indicated the government's cautious stance, saying there are many problems to be studied over the issue of exports of arms parts.

Lower House To Start Debate on Extra Budget

OW1205135295 Tokyo KYODO in English 1316 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — The House of Representatives steering committee voted Friday [12 May] to start full-house debate on a 2.7 trillion yen fiscal 1995 supplementary budget Monday, committee members said.

The decision, made in a majority vote, had support from the three parties of the ruling coalition but opposition from the Japanese Communist Party.

The main opposition Shinshinto (New Frontier Party) canceled voting over the extra budget, suggesting that Diet debate over the budget may be stalled.

The budget is designed to finance measures for reconstruction in Kobe and its vicinity devastated by the Jan. 17 earthquake and steps for smaller firms suffering from the yen's rapid appreciation.

In a related development, senior members of the lower house's budget committee decided to vote on the budget after discussing it Tuesday and Wednesday.

The decision was made without participation from shinshinto.

Shinshinto officials said they will boycott a question-and-answer session scheduled to be held after a fiscal policy speech by Finance Minister Masayoshi Takemura on Monday.

Jiro Saito Seeks Early Passage of Extra Budget

OW1505105995 Tokyo KYODO in English 0924 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — The Finance Ministry wants early passage through the Diet of a supplementary budget for fiscal 1995, Vice Finance Minister Jiro Saito said Monday.

"Our position of hoping for its early enactment remains unchanged as we formulated it very seriously," Saito told a news conference. The top bureaucrat at the ministry said it is all up to the Diet whether the extra budget worth some 2.7 trillion yen will be acted upon on Friday, as hoped for by the government and the ruling coalition.

The ruling and opposition parties are at odds over procedural matters regarding Diet debate on the special budget, which is aimed at rehabilitating Kobe and its vicinities devastated by the Jan. 17 earthquake. The budget is also aimed at stemming the yen's meteoric rise against the U.S. dollar.

Saito also said the yen's recovery to a lower level for the past several days is due to "a variety of factors," but cited the need to watch the currency markets' movements for a little longer before judging whether the yen's downtrend has really taken root.

Extra Budget To Boost GDP by 1.2 Percent

OW1205111895 Tokyo KYODO in English 1105 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — A 2.7 trillion yen supplementary budget for fiscal 1995 to be enacted next week will help boost Japan's gross domestic product [GDP] at least by 1.2 percent, the Economic Planning Agency projected Friday [12 May].

The agency said the extra budget will cause an economic spinoff effect equivalent to 1.2 percent of the nation's fiscal 1993 GDP of 466.8 trillion yen.

The agency said a greater economic effect can be expected as the projection did not take into account economic deregulation and import promotion measures incorporated in a package of emergency measures adopted by the government to overcome the strong yen.

Tokyo Said To Curb Defense Budget Further

OW1305121195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 13 May 95 Morning Edition p 2

[FBIS Translated Text] On the evening of 12 May, a top government official, commenting on a budget request for fiscal 1996, made clear that the government would either curb the growth in the defense budget or cut it. Pointing out that "it is very difficult to keep the defense budget from continuing to grow because of the government's financial commitments over the next few years," the top government official expressed his strong eagerness to work toward capping the growth in the defense budget, saying, "I want to cut the defense budget one way or another." The growth rate for this year's defense budget was 0.9 percent at the stage of budget request, but was 0.855 percent at the stage of compiling a draft budget for fiscal 1995 late last year. The comment by the top government official is interpreted as an indication that the government intends to further curb the growth in the 1996 defense budget.

Murayama Cabinet's Rating Drops to 35 Percent

OW1505110795 Tokyo KYODO in English 1056 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — The latest approval rating of Prime Minister Tomiichi Murayama's cabinet stood at 35 percent, down 6 percentage points from July last year, Japan Broadcasting Corp. (NHK) reported Monday.

NHK said its May 12-14 survey shows 40 percent disapproving of the Murayama cabinet, off 5 percentage points from last July. The cabinet was inaugurated June 30, 1994. The public TV and radio network contacted 1,800 voters, of whom 1,007 or 55.9 percent responded.

Ozawa on No-Confidence Motion Against Murayama

OW1205131895 Tokyo KYODO in English 1218 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — A key strategist of Japan's largest opposition party said Friday [12 May] he will decide whether to submit a no-confidence motion against Prime Minister Tomiichi Murayama's cabinet with a possible Diet dissolution in mind.

"I'll make my judgement flexibly, taking everything into account," Ichiro Ozawa, secretary general of Shinshinto (New Frontier Party), told a press conference.

Shinshinto President Toshiki Kaifu has said the party is considering submitting a no-confidence motion against Murayama but stopped short of revealing its timing.

Ozawa pointed to the possible early resignation of Murayama, although the premier himself has denied any intention to quit.

The YOMIURI SHIMBUN, the nation's largest newspaper, reported in its Thursday morning edition that Murayama is considering stepping down.

Murayama was reported to have told Yoshiro Mori, secretary general of the Liberal Democratic Party, the largest among the three coalition parties, that his cabinet is transitional and its power limited. Murayama denied the report.

Officials Calling for General Election Reported

Watanabe: Election for LDP Alone

OW1205121095 Tokyo KYODO in English 1150 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — Former Foreign Minister Michio Watanabe called Friday [12 May] for a snap general election to replace the current tripartite ruling coalition with an administration ruled by his Liberal Democratic Party (LDP) alone.

Watanabe made the comment at a meeting of young LDP lawmakers who support him, participants said.

His call came one day after the political community was rocked by news that Prime Minister Tomiichi Murayama is considering when to step down. Murayama has flatly denied the reports.

"We must conduct elections early, having our candidate (picked as new prime minister), and carry out solely our policies," Watanabe was quoted as saying. "Otherwise, the Japanese economy will go nowhere."

Watanabe, 71, said the LDP "will never fail to win an absolute majority" in the next general election for the 500-seat House of Representatives "if the LDP goes into the polls with confidence."

The party "can grab 200 to 230 seats" in 300 single-seat constituencies and "at least 70" of 200 seats to be chosen in proportional representation.

The LDP currently has 208 members in the 511-seat lower house, which will see the number of seats reduced under the new electoral system replacing one of multiple-seat constituencies.

The LDP forged the present coalition with Murayama's Social Democratic Party and New Party Sakigake, an LDP splinter group headed by Finance Minister Masayoshi Takemura.

LDP chief Yohei Kono, who also serves as foreign minister, has said he will maintain the ruling alliance after the next general election, which is not due until 1997.

Nagano Urges Early Election

OW1405074095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 May 95 Morning Edition p 3

[FBIS Translated Text] On 10 May, Takeshi Nagano, president of the Japan Federation of Employers' Association [Nikkeiren] harshly criticized the Murayama administration's failure in its efforts to cut the trade surplus, saying: "The Murayama administration can implement no measures. As there is a political vacuum anyway, a general election should be conducted at an early date."

Diet Approves Decentralization Legislation

OW1505032295 Tokyo KYODO in English 0311 GMT 15 May 95

[FBIS Transcribed Text] Tokyo, May 15 KYODO — The Diet on Monday [15 May] passed a decentralization bill designed to give local governments greater administrative power.

The House of Councillors, or the upper house of the Diet, unanimously approved the bill Monday morning with some independent legislators opposing. The House of Representatives, or the lower house, passed it last month.

The legislation, limited to five-year duration, obliges the government to draw up a detailed decentralization plan and to set up a panel of seven experts to promote decentralization that will give advice and monitor the decentralization process.

With the enactment, the government plans to choose the panel members immediately, officials said.

The government is also scheduled to launch the drawing up of guidelines for the decentralization plan in autumn, the officials said.

The legislation provides a framework for decentralization including roles of the central and local governments, and state measures to enable transfer of power to provincial authorities.

The duties of the central government would focus on important issues concerning the existence of the state as well as duties to be carried out on a national scale and view, according to the measure.

Editorial Discusses Murayama Government's Fate

OW1405111695 Tokyo ASAHI SHIMBUN in Japanese 13 May 95 Morning Edition p 5

[Editorial: "Before Hoisting a White Flag"]

[FBIS Translated Text] At long last, has the Murayama government entered the stage of a countdown to its fall from power? A sensation has spread in and out of the political world and the sensation has made us believe that the Murayama government's end is nearing.

In a speech in Tokyo, Yoshiro Mori, secretary general of the ruling Liberal Democratic Party [LDP], quoted Prime Minister Murayama as saying: "A cabinet led by the head of a party that is not the largest in the coalition is inevitably a temporary administration, causing limitations to its work as a natural corollary." Mori's quoting the prime minister's remark has caused the sensation and some have interpreted the prime minister's remark as "an expression of his intention to step down," triggering a big fuss.

Afterward, the prime minister stressed that reports were utterly different from the real intent of his remark. Mori has frantically clarified his position and apologized for wrongly quoting the prime minister, saying: "I made the quote that caused such a misunderstanding." Perhaps, it is overly haste to link the prime minister's remark on the "limitations to his cabinet's work" to his "intention to resign."

The problem is that the mood is spreading in the political world and among the people in which his remark on "limitations to his cabinet's work" is casually interpreted as the "probability of his resignation."

The great Hanshin earthquake and the sarin nerve gas attack have occurred and Japan has never experienced such incidents before. While the yen has drastically appreciated, Japan clashed with the United States in the auto negotiations, heightening economic unrest at home.

Under this situation, the government has played into the hands of bureaucrats who uphold the principle of precedence and sectionalism. The government has failed to "have politics properly function" to allay the people's uneasiness. This has only increased the people's irritation.

Statements made by two people before Golden Week are drawing attention. Junichiro Koizumi, a dietman affiliated with the LDP, stated: "The Murayama government's role is finished." Jinosuke Ashida, president of the Japanese Trade Union Confederation [Rengo], stated: "The results of unified local elections are tantamount to the voters' no confidence in the Murayama government."

Koizumi is one of the LDP's "YKK" trio who has backed the prime minister. Ashida is a top leader of labor unions on which the ruling Social Democratic Party of Japan [SDPJ] depends. Their statements have come as a shock to the prime minister.

This time, Takeshi Nagano, president of the Japan Federation of Employers' Associations, has lashed out at the Murayama government. He said: "The Murayama government has said it will not tolerate a political vacuum, but is not Japan in a political vacuum now?"

The sensation, Mori's quotation of the prime minister's remark, and these statements vividly show the situation the Murayama government is in.

Prime Minister Murayama is saying he is not thinking of resigning. The SDPJ, which is likely to disband following the departure of former Chairman Sadao Yamahana and others, is expected to suffer a crushing defeat in the July upper house elections. Many are increasingly taking the view that it will be difficult for the Murayama government to stay in power after the upper house elections in light of the recent fuss.

It is not easy to put a lameduck government back on track. Nonetheless, it is irresponsible to work to weaken the Murayama government at a time when no consensus exists within ruling parties about a "post-Murayama government."

If the prime minister intends to continue running his government, he should return to the mind he had when he was inaugurated as prime minister and unveil new policies, saying: "I will do this." The view that "it is good only if the government depends on the bureaucracy" is no longer acceptable. The ruling coalition parties must seriously think about this.

If the prime minister is unable to unveil new policies, he would have no choice but to hoist a white flag. The prime minister must keep this in mind. The Ashida and Nagano statements agree on the point that calls for dissolving the House of Representatives and holding general elections to break the current political gridlock. There statements reflect simple feelings that many people have.

With the upper house elections scheduled for July, the argument that the government must avoid simultaneously holding the elections of both houses cannot be dismissed in light of the spirit of the Constitution that stipulates the creation of a two-tier parliamentary system. It is correct for the Murayama government to call general elections when it reaches limitations in its work. The Murayama government must take that point as an emergency means.

Police: Aum Organized Tokyo Subway Attack

*OW1505000895 Tokyo KYODO in English
2309 GMT 14 May 95*

[FBIS Transcribed Text] Tokyo, May 15 KYODO — Police concluded Sunday [14 May] that the Aum Shinrikyo religious group organized the March 20 sarin nerve gas attack on Tokyo subway system based on instructions from cult leader Shoko Asahara, police sources said.

In addition to confiscated evidence on the suspected sarin production, two arrested Aum members have told police about their role in the subway attack, the sources said.

One of the men said he ordered the nerve gas to be placed on the subway system, while the other said he put a plastic bag containing sarin on the subways, according to the sources.

Police suspect at least 10 Aum members were involved in the subway attack, the sources said.

The Metropolitan Police Department is ready to seek arrest warrants against asahara and some 19 other Aum members on suspicion of murder as soon as it obtains public prosecutors' approval. Prosecutors are expected to make a decision within a day or two, the sources said.

Police suspect cult leader Asahara gave instructions in every step in the suspected production of sarin and gas attack because some of the arrested Aum followers have indicated Asahara gave such directions, the sources said.

Asahara has been in hiding since the police raids began.

Aum Shinrikyo has denied allegations it produced sarin or had any involvement in the subway attack.

However, 34-year-old Seiichi Endo, Aum's 'health minister' who was in charge of the cult's biological experiments, has hinted at his involvement in the cult's suspected production of sarin, the sources said.

Masami Tsuchiya, 30, head of the cult's chemical unit, has also told investigators that he produced sarin, a gas used in the March 20 subway system attack which killed 12 people and made some 5,500 people sick.

Endo and Tsuchiya are among some 200 aum members who have been arrested since police launched massive raids on the sect March 22.

Mongolia

President Ochirbat Interviewed on Visit to Moscow

LD1205201895 Moscow ITAR-TASS World Service in Russian 1344 GMT 12 May 95

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 12 May — "The holiday was a very grand one and was well organized. We saw and we sensed how dear and significant the victory over fascism is to the Russian people, although half a century has passed since this memorable event," said Mongolian President Punsalmaagiyn Ochirbat in an interview by ITAR-TASS at the capital's airport. Today the head of the Mongolian state returned from Moscow where he attended the celebrations to mark the 50th anniversary of Victory Day.

Replying to a question about his official meetings in Moscow, P. Ochirbat said: "I had meetings with Presidents Boris Yeltsin, Bill Clinton, and Francois Mitterrand and the leaders of a number of other states."

There was an emotional meeting in Vladimir with the personnel of the Damdina Sukhe-Bator guards training tank regiment, P. Ochirbat noted. Here they revere the remarkable traditions of fighting cooperation between the armies of our two countries.

As is known, the fighting vehicles of this glorious regiment were acquired during the years of the Great Patriotic War with voluntary contributions from the Mongolian working people, and its troops travelled a victorious path from the Moscow region to Berlin.

North Korea

NODONG SINMUN: Talks Depend on U.S. Will

SK1305101295 Pyongyang KCNA in English 1005 GMT 13 May 95

["Result of Talks Depends on U.S. Side's Attitude" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — Our response to the U.S.-proposed political talks is aimed mainly at finally ascertaining the will of the United States concerning the implementation of the framework agreement between the two countries, not expecting something from the talks, NODONG SINMUN in a commentary today says.

The analyst goes on:

The U.S. side said that a "great progress" can be made at the talks. If so, it will be a good thing not only for the two countries but for the peace and security in Asia and the rest of the world.

Referring to the remarks of the South Korean puppets that at a U.S.-Japan-South Korea "meeting" the U.S. and South Korea agreed to maintain the basic stand that "South Korean model" light water reactors should be supplied to the DPRK and discussed military measures to cope with the situation in case the DPRK restarted the nuclear program, the analyst says:

We do not care about such silly talk of the South Korean puppets. The point is how the United States approaches their nonsensical utterances. If the U.S. side persists in its old stand as "requested" by the South Korean puppets and tries to test our will once more, there will be nothing to be expected from the talks. If the U.S. side takes an honest attitude, abandoning the unjust stand with its own resolution to resolve the issue, it will hasten the solution. The United States must make a choice of the two.

We are unwilling to waste the precious time while arguing pro and con. And we have no intention to continue suffering a loss while unilaterally freezing the nuclear program.

So, we are going to only ascertain at first hand the will of the dialogue partner at the talks before making a final resolution.

As we have declared more than once, the result of the future talks entirely depends on what attitude the U.S. side takes.

U.S. Accusations on Breaking of Armistice Denied

SK1405085895 Pyongyang KCNA in English 0830 GMT 14 May 95

["DPRK Is Watching U.S. Attitude" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Some U.S. forces overtly declared that the United States has no idea of responding to peace talks with the DPRK, in the wake of a statement issued by the Panmunjom mission of the Korean People's Army [KPA] some time ago. And they are misleading public opinion, claiming that the DPRK is going to unilaterally abrogate the Korean Armistice Agreement.

NODONG SINMUN today brands this as a brigandish argument reversing black and white.

The news analyst says:

The United States has systematically destroyed and paralysed the Military Armistice Commission [MAC] and its supplementary body, the Neutral Nations Supervisory Commission [NNSC]. It is now trying to shift the blame onto the DPRK like a burglar sounding the burglar alarm.

Some U.S. forces are hurling abuses at the DPRK in an attempt to justify their arms buildup and war preparations. It is no accident that they declared the United States has no idea of responding to peace talks with the DPRK. The United States has not discarded the concept of confrontation with the DPRK and its policy of stifling the DPRK. Taking advantage of the paralysis of the armistice system in Korea, the U.S. is stepping up arms buildup and war rackets.

The situation compelled the DPRK to adopt such measures as are described in the statement of the Panmunjom mission of the Korean People's Army.

The DPRK and the U.S. are in a warring state. Only when the Armistice Agreement is replaced by a peace agreement and a new peace mechanism is established, can military conflicts be prevented and war be averted on the Korean peninsula.

The U.S. is turning its back on the new peace overture of the DPRK because it is not willing to remove tension, prevent war and preserve peace on the Korean peninsula. If the U.S. maintains a challenging attitude, turning the southern portion of the Demilitarized Zone, a buffer zone, into a starting point for attack on the North and ceaselessly perpetrating reckless military provocations with the South Korean puppets, we will have to take additional measures as we warned in the statement of the Panmunjom mission of the KPA.

It is our unshakable position and will to take self-defensive measures against any pressure and any attempt to stifle the DPRK with strength.

The United States had better not doubt our will.

U.S. Accused of 'Unilateral Breach'

SK1305103395 Pyongyang KCNA in English 1024 GMT 13 May 95

["It Can Never Work on DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The U.S. bellicose elements are claiming that the DPRK is abrogating the Armistice Agreement unilaterally, after the Panmunjom mission of the Korean People's Army [KPA] released a statement on May 3. MINJU CHOSON today, commenting on this, says their utterances remind people of a thief crying "stop thief!"

The analyst says:

It is none other than the United States that has engaged itself in an unilateral breach of the Korean Armistice Agreement. The United States is taking issue with the DPRK for no reason, while trying to evade the responsibility it should assume. This is a mean and high-handed arbitrariness; it might work on others, but it can never work on the DPRK.

The U.S. bellicose elements are not entitled to say this or that about the steps laid down in the statement of the Panmunjom mission of the KPA.

The DPRK adopted one active measure after another to set up a new peace mechanism in April last year. The United States has showed no affirmative response to them, though.

The United States has instigated the South Korean puppets to turn the southern portion of the Demilitarized Zone under its control into an attack position against the North and used the armistice watch body, which is little more than a mere name, for concealing its war preparations against the North.

The U.S. bellicose elements are scheming to gain something by threatening and putting military pressure on the DPRK. They should give up such infeasible scheme. The DPRK will not abandon its right of self-defence nor give in to threat and military pressure from anyone.

If the U.S. warmaniacs continue to challenge the DPRK in league with the puppets, the DPRK will take appropriate self-defensive steps added to the already-adopted measures as was clarified in the statement.

The DPRK means what it says.

The U.S. warmaniacs would be well advised to never make a dust, obsessed by the infeasible scheme, but act with discretion.

U.S. Plans To Deploy Minesweepers in Japan

SK1505082995 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 12 May 95

[FBIS Translated Text] According to a news report from Washington, the U.S. Navy is scheming to deploy minesweepers in a forward area of the western Pacific and the Persian Gulf regions.

In testimony to the U.S. Senate on 9 May, U.S. Naval Vice Admiral Joseph Lopez stressed the need to deploy minesweepers in a forward area in preparation for possible conflicts in these two regions. He publicly stated that the U.S. Navy was considering stationing the minesweepers that would be deployed in the western Pacific region at a Japanese port.

Sources noted that his remarks were made while keeping in mind the recent developments on the Korean peninsula.

The (?10 May) edition of Japan's YOMIURI SHIMBUN disclosed that the U.S. Navy is attempting to permanently station minesweepers at a U.S. naval base in Japan and other places in preparation for an emergency on the Korean peninsula.

The Japanese newspaper quoted one high-ranking official of the U.S. Department of the Navy as saying that it is necessary to make preparations in advance, adding that it would take 40 to 50 days to dispatch minesweepers into the seas off the Korean peninsula and to the Persian Gulf region from the continental United States if an emergency arose in those areas.

U.S. Naval Deployment in Persian Gulf Decried

SK1505050395 Pyongyang KCNA in English 0456 GMT 15 May 95

["U.S. Scheme To Deploy New Fleet in Persian Gulf" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — The spokesman for the U.S. Navy announced on May 12 that the United States is considering a plan to set up a Fifth Fleet for deployment in the Persian Gulf.

Earlier, on May 11, the Associated Press reported that the Fifth Fleet proposal was disclosed at a time of renewed tension between Iran and the United States.

It is no accident that the U.S. Fifth Fleet plan surfaced when Iran has recently intensified its anti-American actions against the U.S. trade blockade against Iran and world public voices supporting Iran are getting louder.

The United States has persisted in its blockade against some countries in the Gulf, keeping scores of warships and other huge aggression forces there under the pretext of "coping with possible regional disputes" after the Gulf War.

The plan to deploy a new fleet in the Gulf cannot be construed otherwise than an escalation of the U.S. interference and military threats against this region.

Clear is the purpose pursued by the United States in this.

It is to protect its imperialist vested rights in the Persian Gulf of strategical importance, threaten anti-imperialist independent countries with strength and establish its domination over this region.

All facts show that despite its verbal advertisement about "peace", "detente" and "disarmament", the United States is hell bent on increasing its role as the world gendarme.

U.S. Advanced Military Equipment Brought to ROK

SK1505045795 Pyongyang KCNA in English 0452 GMT 15 May 95

["U.S. Brings Advanced Military Equipment to S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — The United States brought the most advanced M1A1 battle tanks, armoured personnel carriers and other military equipment into South Korea on May 12, a foreign news report from Seoul said.

They will be deployed at U.S. forces stationed in South Korea.

This is a continuation of the criminal manoeuvres of the United States. It has been introducing war equipment since long ago, unilaterally breaking up the Korean Armistice Agreement.

The U.S. imperialists are laying artificial difficulties in the way of the implementation of the DPRK-U.S. framework agreement and persistently putting military pressure on the DPRK so as to gratify their brigandish design. But it is a foolish dream.

U.S., ROK Military Activities Denounced

Said 'War Provocation Maneuvers'

SK1405150395 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 13 May 95

[FBIS Translated Text] The arms buildup and war provocation maneuvers by the U.S. imperialists and the South Korean puppets have recently become graver, and the situation on the Korean peninsula is headed to the brink of war as a result.

As reported, the United States has decided to bring 130-odd M1A1 tanks, M2 infantry combat armored vehicles, and other latest-model military equipment into South Korea from 15 May. Under the pretext of modernizing the U.S. Forces occupying South Korea, the United States has brought 20 multi-purpose, high-speed vehicles into South Korea and decided to bring 500 more. It has also decided to bring 150 Abrams tanks in May and 24 Apache attack helicopters before the end of this year.

The United States has been openly raving that it will improve the firepower of M1 tanks and carry out the third-stage plan to upgrade Patriot missiles which target the Korean peninsula.

The U.S. Defense Department mapped out the so-called win-win strategy in preparation for a time when wars break out simultaneously on the Korean peninsula and in the Middle East and, accordingly, designated one more corps, in addition to the existing corps, which is based on the mainland as combat troops ready for overseas deployment. According to this strategy, work has been under way to revise details of the South Korea-U.S. combined defense system considering the scale, equipment, and nature of the unit to be newly deployed.

Also, the U.S. Defense Department has reexamined the system provided for the transportation of strategic materials and weapons in case of another Korean war and has been maneuvering to drag Europe and Japan into its efforts to develop and introduce a theater missile defense system.

Meantime, the South Korean puppets, chiming in with the U.S. Defense Department, have begged their U.S. masters to sell 168 air-to-ground missiles and 100 short-distance air-to-ground missiles of the latest version to them.

While frenziedly maneuvering for a military buildup, the United States and the South Korean puppets are frantically staging large-scale war exercises on land and sea and in the air. And they started a joint military exercise on 8 May in which 8,000-odd U.S. troops and 4,500-odd puppet South Korean troops are participating. This U.S.-South Korea joint military exercise is an exercise designed to efficiently use reinforcements coming from the U.S. mainland and other places in an emergency and is, reportedly, the replacement of the Team Spirit joint military exercise, which has been suspended temporarily.

The United States and the South Korean puppets have been more frantically than ever perpetrating reckless war exercise commotions, while continuously bringing war materiel into South Korea. They have done so at a time when the Berlin light-water reactors negotiations have broken up and when they have been building artificial obstacles to implementing the DPRK-U.S. agreed framework. This fact greatly worries people at home and abroad.

However, no military threat or pressure will work on us. The U.S. imperialists and the South Korean puppets must clearly know the resolute will of our people and the People's Army and must not run wild recklessly.

U.S.-ROK 'Air War Exercise' Decried

SK1305042995 Pyongyang KCNA in English 0422 GMT 13 May 95

["Provocative Joint Air War Exercise Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The bellicose U.S. imperialists and the South Korean puppets staged a joint air war exercise for a forestalling attack on the DPRK in the skies above Tokjok Islet and Kyokyolbi Islets, South Korea, on May 11, military sources said.

The provocative military exercise involved scores of overseas- based fighters and some 460 fighter-bombers, assault and reconnaissance planes belonging to the U.S. Air Force in South Korea and the puppet air force, under the command of E-3 AWACS.

On May 10, KC-135 tankers refueled scores of warplanes of the U.S. Air Force and the puppet air force mobilized in a nocturnal air war exercise against the North in the skies above the West Sea [Yellow Sea] west of Kunsan.

If the bellicose U.S. imperialists and the South Korean puppets continuously lead the situation to the dangerous brink of war, running counter to detente, they will meet a miserable end.

TV on ROK 'Military Provocations'

SK1305082195 Pyongyang Korean Central Television Network in Korean 1132 GMT 12 May 95

[Unattributed commentary]

[FBIS Translated Text] How are you?

Recently the South Korean puppets' military provocations have become graver than ever. As has been reported, the South Korean puppets committed a military provocation on 11 May by infiltrating a fighter aircraft into our side's airspace above the mouth of the Han River. On the same day the South Korean puppet soldiers, ambushed in Kimhwa County in the central sector of the front south of the Military Demarcation Line, committed armed provocation by firing large-caliber machine guns toward our side's civil policemen's post on the opposite side. Such provocations are grave provocations that would have caused an armed collision without fail if it had not been for our self-control.

What is even more serious is the fact that the grave armed provocation directly agitating us occurred at a time when the South Korean puppets and the U.S. imperialist warmongers were conducting across South Korea the second Team Spirit joint military exercise — a test nuclear war — against us.

The Kim Yong-sam puppet clique is driving North-South relations to a dangerous stage and extremely aggravating the situation on the Korean peninsula. This stems from its premeditated plot maneuver to lay obstacles to improving DPRK-U.S. relations.

As is well known, following the rupture of the working-level talks on the supply of light-water reactors held in Berlin, the United States repeatedly proposed political talks. We decided to respond to and accept the repeated U.S. proposal, and currently the DPRK and the United States are discussing the time and place. At such a time, the South Korean puppets kindled fire against us and infiltrated a fighter. They are attempting to give a cold shower to the DPRK-U.S. talks by deliberately aggravating the situation.

Another goal for the Kim Yong-sam puppet clique to artificially aggravate the situation is to divert the South Korean people's antigovernment sentiment. Presently, the Kim Yong-sam ring is isolated and rejected by the people at home and abroad for the crime it has committed. The South Korean youths, students, and people define the Taegu subway gas explosion that killed 101 people as a man-made disaster resulting from the ill politics of the Kim Yong-sam treacherous regime, which did not prepare any measure to prevent large-scale accidents but only pursues its own desire for power and wealth. Every day they are waging a struggle strongly demanding that the traitor Kim Yong-sam step down from power.

Various South Korean groups are also vigorously waging movements against the Kim Yong-sam puppet clique's plan to build a nuclear waste disposal site on Kurop island. The South Korean people are saying that if they allow the puppets to build a nuclear waste disposal site on Kurop Island, it would cause the worst disaster in the world. People on Kurop Island and the nearby Tokchok port in Tokchok-myon, Kyonggi Province are waging the struggle everyday putting up the banner "Kim Yong-sam should bomb himself."

Their antigovernment struggle has been accelerated since Takagi Jinzaburo [name as transliterated], a Japanese nuclear physics expert, and his group inspected Kurop Island some time ago. Takagi said Kurop Island is close to the highly populated mainland and the tuff that comprises the island is a weak rock. Being close to the PRC's earthquake zone, the island is such an unstable place that it is impossible to have a nuclear waste disposal site there.

He compared the island to Japan's Okushiri Island. In the seventies, the Japanese Government planned to build a nuclear waste disposal site on Okushiri Island, but the islanders and the Japanese people of various strata waged the struggle against the plan and stopped it. In 1993, Okushiri Island was struck by a tidal wave due to an earthquake. What could have happened if the people had allowed the Japanese Government to build a nuclear waste disposal site there? Takagi said the same goes for Kurop Island. Takagi said that to block the construction of a nuclear waste site on Kurop Island is to guard the life of Asia.

Thus, the antigovernment struggle against Kim Yong-sam has further escalated. The South Korean people's antigovernment struggle is being accelerated on the occasion of the anniversary of the 18 May Kwangju People's uprising. Isolated and rejected by the people, the anxious Kim Yong-sam ring plans to aggravate the situation by armed provocation, divert the people's attention elsewhere, escape the ruling crisis, and create artificial obstacles to improved DPRK-U.S. relations. However, this is useless. The puppets' maneuver will cause even greater resistance and rage from the people at home and abroad, making the situation more difficult for the puppets.

The traitor Kim Yong-sam is adding to his crime by externally relying on foreign forces while talking about international alliances, internally wielding rifles and swords, and provoking a war of northward aggression. He will not avoid being severely punished by the South Korean people.

ROK 'War Drill' in DMZ Decried

SK1305104695 Pyongyang KCNA in English 1031 GMT 13 May 95

["South Korean Puppets Continue Military Provocations in DMZ" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The South Korean puppets on Friday brought a 90 mm recoilless gun and a 12.7 mm machine gun and about 100 fully armed bandits of the puppet army into an MP post in the Demilitarized Zone south of the central sector of the front, military sources said. The bandits even took aim at civil policemen of the North side.

In another development, over 1,000 puppet army bandits armed with machine guns and automatic rifles thronged into different places of the DMZ and conducted a war drill, madly bustling about there.

The South Korean puppets must not miscalculate our patient self- control.

KCNA on ROK DMZ 'War Game'

SK1405083095 Pyongyang KCNA in English 0812 GMT 14 May 95

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The South Korean puppets deployed large-calibre artillery pieces and other heavy military hardware in the forefront area, and held a war game there against the North on Friday, military sources said.

They deployed self-propelled large-calibre artillery pieces, military vehicles loaded with lethal weapons and armoured cars in different parts adjacent to the Demilitarized Zone on the western sector of the front, and incited a war atmosphere with the mobilization of hundreds of the puppet army bandits armed with heavy weapons and automatic rifles.

Groups of heavy tanks, large-calibre artillery pieces and armed bandits of the puppet army got frantic in military exercises against the North, firing hundreds of shells and large-caliber machinegun bullets in different parts of the western, central and eastern sectors of the front.

More than 10 helicopter gunboats of the puppet army flew to the skies above the areas of the western and central sectors of the front and staged an aerial strike exercise.

It must not go unnoticed ill-boding military movement of the puppets in the forefront area in which the Armed Forces of the North and the South stand in sharp confrontation with the Military Demarcation Line, in between coincided with various military exercises the Kim Yong-sam group is staging in league with the U.S. imperialists against the North.

If the South Korean puppets dare to set fire, they will be burned to death in the flames set by them.

Radio Notes 12 May 'War Exercises'

SK1505025895 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 13 May 95

[FBIS Translated Text] According to a military source, on 12 May the South Korean puppets deployed large-caliber artillery pieces and heavy military equipment in the forefront and frantically staged a war exercise for an imaginary northward invasion.

That day at around 0740 [2240 GMT], the puppets deployed more than 20 large-caliber self-propelled artillery pieces and more than 20 military vehicles loaded with lethal equipment in the area of Munji-ri, Paju County, just opposite our side's area. They also openly deployed more than 10 armored cars in the area of Sim-ri, Kimpo County at around 1320 [0420 GMT].

At around 0850 and 0920 [2350 and 0020 GMT] on the same day, several hundred puppet army bandits armed with heavy weapons and automatic rifles, who were heading for the forefront area in combat formation, rapidly occupied positions on the embankment of an estuary of the Imjin River and on the ridges linked to the DMZ north of Ogum-ri and Hapo-ri, Paju County, firing and aiming at our side. Thus, they showed an attitude of war frenzy.

On the other hand, that day groups of heavy tanks of the puppet army, which occupied an attack-starting position on the line between Kumpa-ri and Tapgong-ri, Paju County, frantically staged a war exercise for a northward invasion with the aim of breaking through the Military Demarcation Line, firing more than 90 tank shells.

On the same day at around 0800 [2300 GMT], more than 10 armed helicopters of the puppet army flew to the skies north of Paekyon-ri in Paju County, Yonchon-up in Yonchon County, and Oechon-ri in Chorwon County in Kangwon Province, which are the forefront line areas, and staged an aerial strike exercise, aiming at our side as well as making low-altitude and ultralow-altitude flights.

On the same day, groups of large-caliber artillery pieces of the puppet army deployed in the area of (Songbong-ri), Yonchon County, and [words indistinct] fired more than a hundred artillery shells in areas adjacent to the DMZ. The armed bandits of the puppet army that are deployed in areas near the DMZ north of Yongsan-ri, Paju County, extremely irritated us by firing hundreds of 12.7 mm large-caliber machinegun bullets.

The puppets' ill-boding military moves in the forefront area, in which the armed forces of the two sides stand in sharp confrontation with the Military Demarcation Line in between, coincided with the various war exercises for a northward invasion the Kim Yong-sam ring is frantically staging these days in collusion with the U.S. imperialists. We cannot overlook them.

If the South Korean puppets dare to light a fire, they will burn to death in the flames they set.

NODONG SINMUN Warns ROK

SK1305102395 Pyongyang KCNA in English 1014 GMT 13 May 95

["The Enemy Will Be Sternly Punished" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The South Korean puppets on May 11 fired bullets at a post of the North side in the central sector of the front and infiltrated a fighter plane into the territorial air of the North side above the lower reaches of the River Han.

Denouncing this as a deliberate and premeditated provocation aimed at driving the situation on the Korean peninsula to the brink of war, a news analyst of NODONG SINMUN today warns that if the enemy dares provoke us, he will face a thousand-fold reprisal.

The analyst says:

We cannot but take a serious view of the fact that the enemy committed the military provocation and the military manoeuvres at a time when the DPRK-U.S. talks are put on the order of the day again after the DPRK-U.S. negotiations on the provision of light-water reactors were brought to a deadlock.

It is clear that the South Korean puppets and the U.S. hardline conservatives are trying to block the negotiated solution to the nuclear issue of the Korean peninsula by bringing the situation to an extreme pitch of strain.

We are following with sharpened vigilance the new war provocation moves of the enemy which are becoming all the more serious with each passing day.

The warmaniacs must not mistake our patience. There is a limit to our patience, too.

We will never tolerate any act of the enemy to violate our sovereignty and to do harm to our security.

ROK Said Aggravating Tension

SK1205151295 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 12 May 95

[Commentary by Kim Ho-sam: "Deliberate and Premeditated Maneuvers of Provocations"]

[FBIS Translated Text] The South Korean puppets' maneuvers of provocation against our Republic are developing to a very grave phase.

As has already been reported, at around 1030 [0130 GMT] on 11 May, the South Korean puppets illegally infiltrated fighter aircraft into the sky over our side's area at the mouth of the Han River. And later at around 1415 [0515 GMT], the puppets, who were in the DMZ area along the Military Demarcation Line in Oho-ri, Kimhwa County, fired rounds of a large-caliber machine gun into our side's civil guard post. These are deliberate and premeditated maneuvers of provocation worked out for the purpose of finding an excuse to bring to an extreme the situation on the Korean peninsula, which has been becoming extremely aggravated since the breakdown of the DPRK-U.S. working-level negotiations on the supply of light-water reactors.

In recent days, along with the United States, the South Korean puppets have pertinaciously launched war maneuvers against us on an unprecedented scale.

Almost every day, Yi Yang-ho, puppet minister of national defense, urges major commands of the puppet army to be fully combat ready. Timed with this, the puppets staged a large-scale joint military exercise by mobilizing about 80,000 troops in early April. From the end of April to early May, they mobilized to full strength puppet Air Force (?pursuit) planes along the western and central front lines, thereby waging (?a large-scale) aerial bombing exercise.

At the same time, the puppets began a new two week-long joint military exercise in place of the Team Spirit exercise along with the United States on 8 May.

Mobilized into this exercise are 8,000 U.S. troops and about 4,500 South Korean puppet troops.

Meanwhile, the puppets are nowadays continuously introducing upgraded military equipment, including missiles, tanks, and infantry armored personnel carriers, into South Korea from the United States; and they are deploying heavy weapons in the DMZ area.

On 8 and 9 May, too, they brought two 90-mm recoilless guns and three large-caliber machine guns into the DMZ area.

In April and May the puppets instigated this kind of warlike atmosphere. But this time they infiltrated even fighter aircraft into our side area, and openly fired rounds of a large-caliber machine gun in broad daylight. This clearly shows once again that the rascals are truly trying to ignite the fuse of war.

In fact, the Korean peninsula these days is placed in a situation in which no one knows when a war may break out.

The point is, why are the puppets creating such a situation? Above all, it is aimed at escaping a crisis in their power under which they have been driven into a corner.

As everybody knows, the Kim Yong-sam ring is now faced with the greatest crisis of its ruling period because of the mistakes it has repeatedly made with regard to its domestic and foreign policies.

In particular, in recent days, due to the gas explosion during construction of the subway line in Taegu, which claimed several hundred human casualties, the people's grudge is surging to appeal to heaven.

Therefore, with a view to diverting the people's rising voices of denunciation against him elsewhere, the traitor Kim Yong-sam is further running amok to instigate North-South confrontation.

Next, the Kim Yong-sam ring is resorting to an adventuristic provocation, while in recent days often waging large-scale military exercises. This is also aimed at realizing, by all means, unjust calls, part of their insidious attempts, at the DPRK-U.S. negotiations by militarily threatening us.

As everyone knows, DPRK-U.S. political talks are going to be held at the request of the United States, following the rupture of the DPRK-U.S. working-level negotiations in Berlin on the supply of light-water reactors. It is clear that the talks will also discuss the light-water reactor type as a main issue. However, the South Korean puppets are frantically attempting to realize their aim, which they failed to achieve in Berlin, during the forthcoming talks. That is, they are trying to supply us with nonexistent South Korean-type light-water reactors by all means.

To this end, they are trying to create an environment favorable to the United States to take the leadership in the talks by threatening us and imposing emotional pressure on us, waging large-scale military exercises and shocking provocations. However, this is nothing more than an illusion.

As our Foreign Ministry spokesman clearly expressed in his answers to questions posed by reporters on 11 May, there is no change in our position on the light-water reactor issue. We will never accept nonexistent South Korean-type light-water reactors. The South Korean puppets must give deep thought on what dear cost will be paid for the armed provocations they are conducting for worthless political purposes.

The puppets must recognize that there is a limit to our patience. As we clearly declared in the 3 May statement issued by the Panmunjom mission of the Korean People's Army, if the South Korean puppets continue their arms buildup and military provocations in the DMZ, we will inevitably have to take appropriate self-defensive countermeasures.

The prevailing tense military situation proves again that the establishment of a new peace mechanism on the Korean peninsula is a task of the times that cannot be delayed any further.

The Kim Yong-sam ring must look straight at the situation and must not recklessly run wild.

ROK 'Can Never Be a Party to Dialogue'

SK1305122995 Pyongyang Korean Central Broadcasting Network in Korean 0650 GMT 13 May 95

[Unattributed talk: "The Puppets, Who Are Pursuing an International Cooperative System With Outside Forces, Can Never Be a Party to Dialogue"]

[FBIS Translated Text] In recent days, while continuing to resort to its policy of depending on outside forces, the Kim Yong-sam ring is viciously scheming to realize, by all means, the so-called international cooperative system.

One such example is: In order to stand in the way of the implementation of the DPRK-U.S. framework agreement, the traitor Kim Yong-sam is conducting a mendicant diplomacy with regard to the so-called resumption of the South-North dialogue by dispatching incumbent government officials, such as the puppet foreign minister, and national assemblymen to foreign countries.

Wherever they go, the rascals have babbled that the South-North dialogue is essential for the implementation of the DPRK-U.S. framework agreement or that it is necessary to lay the focus of the cooperative system on the progress of the South-North dialogue.

The South Korean puppets are also continuously begging Japan to link their requests — concerning the implementation of the DPRK-U.S. agreement and the resumption of the South-North dialogue — with the DPRK-Japanese negotiations on the normalization of diplomatic ties, in case the talks between the DPRK and the Japanese Governments resume. This is a despicable maneuver aimed at laying an obstacle to the implementation of the DPRK-U.S. framework agreement and to the talks between the DPRK and Japanese Governments, and at turning the tables of the situation in favor of crushing us by taking issue with the resumption of the North-South dialogue.

The question of the North-South dialogue is an internal matter of the nation from every point of view. It is never such a thing as one can ask others to solve; nor is it such a thing as one can solve by extending a begging hand to others.

The parties directly concerned to the North-South dialogue are our countrymen from every point of view; and the key to the solution of such a question, too, lies in our own nation.

This notwithstanding, the Kim Yong-sam ring is talking with others about the dialogue between countrymen. Such an act is in itself an anti-national maneuver by a flunkeyist national traitor, who is thoroughly imbued with the ideology of trying to depend upon outside forces, and it is not an act of trying to realize dialogue.

From the beginning, dependance on outside forces has been a way of survival for the South Korean ruling bunch.

In particular, almost every day since he assumed power, the puppet traitor Kim Yong-sam, who is serving outside forces as if they were his own grandfather, has despicably kowtowed to and begged outside forces.

The whole world has already known the fact: Finding fault with the suspicion about the North's non-existent nuclear issue, the traitor Kim Yong-sam has viciously schemed to frustrate the DPRK-U.S. talks, while begging for the imposition of sanctions against his countrymen and for the establishment of an international cooperative system and while asking that the question of the South-North relations should be solved first.

People used to even denounce the former South Korean foreign minister named Han Sung-chu by saying that he had been afloat over the Pacific. This portrays how many times he had spent conducting his mendicant junkets on the orders of the traitor Kim Yong-sam.

The formerly so-called foreign affairs-national security team of South Korea staged a farce of begging the outside forces that the South-North dialogue should precede the DPRK-U.S. talks. And, the incumbent so-called foreign affairs-national security team is mentioning to foreign countries the question of the North-South dialogue, which they brought to a rupture. All of these are indiscreet rash acts.

South Korea's traitor Kim Yong-sam is the ringleader who ultimately brought the question of the North-South dialogue to a complete rupture, while making ill use of such a question for his insidious purpose of trying to block the progress of the DPRK-U.S. talks. And he is a criminal who brought the situation on the Korean peninsula back to the phase of an acute confrontation, like that which existed before adoption of the North-South agreement, by unilaterally scrapping the historic North-South agreement and the joint declaration on denuclearization and by resuming the Team Spirit joint military exercise against us along with outside forces.

In fact, the puppet traitor Kim Yong-sam has no face to talk about the resumption of the dialogue.

The traitor Kim Yong-sam revealed himself that he is not interested in North-South dialogue by taking an attitude of opposing also our proposal for holding a grand festival for reunification and for convening a grand national meeting on the 50th anniversary of the fatherland's liberation.

At this moment, too, the puppet Kim Yong-sam clique is carrying out an adventuresome game by playing with fire against us in the sky, on the ground, and on the sea by mobilizing a vast number of armed troops; and the clique is continuing to launch large-scale armed provocations against us by bringing heavy weapons into the DMZ area along the Military Demarcation Line. Such rascals have even extended a begging hand to outside forces, while feigning interest in the resumption of the North-South dialogue. Such an act has originated from their insidious attempt to establish an international cooperative system against us by all means.

Those who are depending upon outside forces and are pursing an international cooperative system against us along with outside forces while not advocating national independence can never be a party to dialogue in solving the national questions.

The Kim Yong-sam puppets — who have no will to seek a national reconciliation and conduct a genuine dialogue with their compatriots and who have no intention whatsoever to change their antagonistic, anti-national attitude against the other party to the dialogue — are babbling about the resumption of dialogue. This is an intolerable mockery of the nation.

If the Kim Yong-sam puppets of South Korea are to have dialogue with us, they should not pursue the establishment of an international cooperative system with outside forces, but should embark upon the road to realizing a national cooperative system with us. To this end, they should give up their policy of depending upon outside forces, and should adopt the position of advocating national independence.

If the Kim Yong-sam puppets of South Korea really intend to resume the North-South dialogue, they should not extend a begging hand to outside forces, which are far away, but should first carry out work to create an atmosphere in favor of dialogue between compatriots. The South Korean puppets are shouldering the inescapable responsibility for doing this before the nation.

First of all, the Kim Yong-sam puppets should apologize for the most heinous, inhuman act of having taken advantage of the mishap of their compatriots for insidious political purposes. They should also take action to show a sincere attitude toward the North-South dialogue, including abolishing the anti-dialogue, anti-reunification evil law — such as the notorious National Security Law, which defines the other party to dialogue as the enemy — and dismantling the puppet Agency for National Security Planning [NSP], a den of anticommunist artifices.

By the way, during the time of their compatriots' mishap, the Kim Yong-sam puppets committed an inhuman crime, even making animals blush, thereby bringing North-South relations to the worst phase. Far from apologizing for this, they have gone so far as to try to justify this, and they have been further intensifying anticommunist and confrontational maneuvers, while, on the contrary, advocating (?retaliation) against us and leaving intact the notorious National Security Law and the puppet NSP. This clearly shows that the Kim Yong-sam puppets are heinous national traitors and enemies of reunification. This also fully reveals that they are not party to an independent dialogue with us.

The national traitors — who are trying to reject and do harm to their compatriots while regarding their compatriots as their enemy, and who are begging the outside forces even with regard to the question of dialogue between compatriots while losing their senses — can never be a party to dialogue with us. Only shame and ruin will be meted out to such people.

ROK Proposal on DMZ Peace Zone Criticized

SK1405112595 Pyongyang Korean Central Broadcasting Network in Korean 0652 GMT 14 May 95

[Unattributed talk: "Puppets' Cunning Trick"]

[FBIS Translated Text] As has already been reported, the South Korean puppets are these days making a fuss at the United Nations and other international organizations, while shamelessly saying they would turn the DMZ, with the Military Demarcation Line [MDL] in the center, into a so-called peace zone. This is a mere futile shallow trick that the South Korean puppets headed by Kim Yong-sam employ to curry favor with someone else and mislead public opinion at home and abroad to give the impression that they are doing something for peace.

We have long hoped that the DMZ would be turned into a peace zone out of an earnest desire to ease tensions on the Korean peninsula and promote peace and security. However, this hope has not been realized because of the confrontational, antipeace, and antireunification maneuvers by the United States and the South Korean puppets.

Neither civilians nor soldiers can enter the DMZ at will. No one can set foot in the DMZ south of the MDL because it is filled with various military facilities, pillboxes, tank barriers, and mines. Nevertheless, the puppets headed by Kim Yong-sam are almost daily reinforcing troops and military equipment of all sorts there. Moreover, the South Korean puppets are endlessly perpetrating grave military provocations against us in the DMZ after bringing heavy weapons and armed bandits there.

The provocations which the puppet Kim Yong-sam clique are repeatedly perpetrating in the DMZ are a crime that runs counter to the fellow countrymen's aspirations for reunification and extremely aggravates the situation on the Korean peninsula. Moreover, the fortified concrete wall built by the South Korean puppets is the symbol of our nation's division. The South Korean puppets, who perpetrate armed provocations against us in the DMZ after bringing numerous forces there and even having built a high concrete wall that further aggravates tension on the Korean peninsula, are raving about a peace zone. This is shameless.

The puppet Kim Yong-sam has no qualifications to rave about turning the DMZ into a peace zone in the first place. The question of turning the DMZ into a peace zone can only be discussed between us and the United States. The Kim Yong-sam ring, which has no authority or justification to have a hand on the DMZ, is raving about a peace zone. This truly is preposterous and a mockery of the world.

What must presently be resolved militarily is the issue of establishing a new peace mechanism on the Korean peninsula. The United States, rather than inciting the South Korean puppets, who are running wild impudently, must accept our peace proposal, which can ensure a stable peace and security on the Korean peninsula.

If the South Korean authorities truly hope to jointly develop the DMZ and turn it into a peace zone with us, they must immediately stop perpetrating reckless military provocations against us, dismantle the concrete wall, the symbol of North-South confrontation and division, abandon their antireunification and antipeace positions, and abolish the reactionary National Security Law without delay.

The Kim Yong-sam ring, instead of futilely prowling while making preposterous remarks, must squarely see the trend of the times and act with discretion. The United Nations and other international organizations, instead of listening to the puppet South Korean clique's empty remarks, must cooperate in our people's sincere efforts to defend peace and security on the Korean peninsula, and independently peacefully reunify the fatherland.

ROK Plans To Repeat 'Disgraceful History'

SK1505050895 Pyongyang KCNA in English 0502 GMT 15 May 95

["Scheme To Repeat Disgraceful History" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — Kim Suk-hui, "minister of education" of South Korea, in her special lecture at the "National Defence College" said the "June 25 war was a fratricidal war and South Korean involvement in the Vietnamese War was less justifiable because South Korean troops took part in it as mercenaries."

The traitor Kim Yong-sam immediately dismissed her, a top-class hireling, claiming that her remarks are "never to be condoned".

Commenting on this, NODONG SINMUN today notes:

By defending his predecessors who provoked the June 25 war against the North at the instigation of the U.S. imperialists and dispatched soldiers to the Vietnamese War, the traitor Kim Yong-sam reveals by himself that he would follow in their footsteps and plunge the nation into disasters with a fratricidal war or anything else.

Kim Suk-hui's utterances as regards the June 25 war and the dispatch of soldiers to Vietnam can be viewed as a full reflection of the stark historical fact which can never be erased with anything and a recitation of the will of the South Korean people from the point of view of the nation though belatedly.

The traitor Kim Yong-sam is criminalizing her remarks. This proves that he is the same war servant of imperialism and stooge as the traitors Syngman Rhee and Pak Chong-hui. He seeks only to maintain and prolong his power in reward for serving the aggressive outside forces, in disregard of the destiny of the country and the nation. With him left alone, the South Korean people cannot avoid disasters.

The situation calls upon all that live in South Korea to turn out in the struggle to remove the Kim Yong-sam group, the maker of national disaster.

If anyone allows the Kim Yong-sam group to repeat the disgraceful history such as ignition of the war against the North and dispatch of soldiers to Vietnam, and even intends to shake hands with it, this will be the biggest insult to the Korean nation and the world people.

ROK Rallies Urge Indictment of 'Traitors'

SK1405111095 Pyongyang KCNA in English 0817 GMT 14 May 95

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — Mass rallies urging indictment of the main culprits of the May 18 Kwangju massacre were held in Seoul, Kwangju, Pusan, Masan, Taejon and other eight cities of South Korea on May 13 on the lapse of 15 years since the Kwangju popular uprising, according to radio reports from Seoul.

Members of the people's committee for probing the truth behind the May 18 massacre and inheriting the spirit of the Kwangju resistance and students, some 1,500 all told, held a mass rally at the Changchung Park in Seoul on the afternoon of May 13 and adopted a resolution demanding the indictment against traitors Chon Tu-hwan and No Tae-u, preceding dictators, and the testimony of former "President" Choe Kyu-ha.

The ralliers denounced the deeds of the present "regime" in evading the probe into the truth behind the Kwangju massacre with the allegation that it will be judged by history, and demanded the restoration of the impaired reputation of the Kwangju citizens.

They also demanded the investigation into the truth of the testimony of Pastor Peterson of the United States who said that he eyewitnessed helicopter gunships strafing citizens at random during the Kwangju popular uprising, and urged the United States to admit the responsibility for the Kwangju massacre and apologize for it.

After the rally, the protesters marched through streets up to the university street, chanting anti-American, anti-"government" slogans.

Christians Decry ROK Persecution of Believers

SK1405094495 Pyongyang KCNA in English 0808 GMT 14 May 95

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — The Central Committee of the Korean Christian Federation issued a statement on Saturday denouncing the South Korean authorities for trying to punish An Ho-sang, leader of Taejonggyo, and Kim Son-chok, chairman of the National Council for Reunification and Restoration of South Korea, for their visit to Pyongyang.

During their visit to Pyongyang in April the believers conducted religious activities on behalf of the numerous Taejonggyo believers in South Korea. They observed Tangun's ascension day at the tomb of King Tangun, the ancestral father of the nation, and met with religionists in the North.

Nevertheless, the Kim Yong-sam group is persecuting them. This shows the "civilian" rulers are truculent tyrants and traitors, who incriminate religious activities of believers and dislike the reunification of the country, says the statement.

The statement expresses the belief that all the Christians in South Korea who cherish national reconciliation, unity and reunification will actively join in the fight to check the Kim Yong-sam group's fascist persecution of An Ho-sang and Kim Son-chok and abolish the anti-reunification "National Security Law."

Northern Catholics Decry Persecution

SK1305053495 Pyongyang KCNA in English 0450 GMT 13 May 95

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The Central Committee of the Korean Roman Catholics Association made public a statement on May 12 denouncing the Kim Yong-sam group for persecuting An Ho-sang, leader of Taejonggyo, and Kim Son-chok, chairman of the National Council for Reunification and Restoration, of South Korea who visited the northern half of the country.

The statement said:

An Ho-sang and his companion, Kim Son-chok, visited Pyongyang, called at the tomb of King Tangun, the ancestral father of the Korean nation, and discussed with believers in the northern half of the country on actively contributing to national unity and national reunification. This is just and righteous in every aspect. The Kim Yong-sam group, however, is persecuting them on unjustifiable charges. It is a criminal act which can be done only by those seeking division and confrontation.

It cannot be overlooked that the Kim Yong-sam group, which committed an anti-ethic, anti-national crime of the blackest dye such as hurting the feelings of the fellow countrymen who were suffering an unexpected misfortune, pressed again An Ho-sang and his companion about their "expression of condolence", far from apologizing to the nation though belatedly. This is an act which can be committed only by offscourings without human morality.

The Kim Yong-sam group is saying that it will allow believers to visit the northern half of the country for non-political purpose, while persecuting An Ho-sang and his companion for their Pyongyang trip. This is a deception to conceal its splittist color and an unpardonable mockery of the ardent desire of the nation for reunification.

The statement expressed the hope that the Roman Catholics and people from all walks of life in South Korea will turn out in the struggle to check and frustrate the splittists' fascist suppression of An Ho-sang and his companion and remove the Kim Yong-sam group, the incarnation of vices.

Commentary Urges Japan To Clarify LWR Stance

SK1305053795 Pyongyang KCNA in English 0445 GMT 13 May 95

["Japan Urged To Clarify Her Stand and Position Toward Provision of LWRs" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — Japan has no ground to meddle in the issue of the provision of light water reactors [LWRs] and the implementation of the DPRK-U.S. framework agreement, says NODONG SINMUN today in a commentary.

The news analyst goes on to say:

But the Japanese reactionaries are impudently putting their nose into this matter, motivated by their black intention to hamper the implementation of the DPRK-U.S. framework agreement and use the "nuclear issue" as a play card against the DPRK.

The Japanese reactionaries cried out for the close cooperation of the United States, Japan and South Korea as regards the provision of LWRs. This is a replica of what the South Korean puppets argued. Speaking for the United States, the Japanese reactionaries prattled that the DPRK should accept the "South Korean model" LWRs and withdraw the step to lift the nuclear freeze.

No matter how loudly they may cry, it never works on the DPRK which regards independence as the life and soul. We urge Japan to clarify her stand and position toward the issue of the provision of LWRs.

If Japan dances to the tune of others in her Korea policy without her own principle, it will result only in lifting an ax and dropping it down on its toes.

'Japan Must Approach Talks With Independence'

SK1205224295 Pyongyang KCNA in English 1505 GMT 12 May 95

["Japan Must Approach Talks With Independence " — KCNA headline; all names as received]

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — The May 1 edition of CHOSON SIBO carried statements issued by Japanese figures in support of the agreement for the resumption of DPRK-Japan talks.

Kosuke Ito, Liberal-Democratic member of the House of Representatives, said that at the talks for diplomatic relations with the DPRK, Japan must not coordinate its position to the development of U.S.-DPRK relations but take a frank, independent attitude, conduct active diplomacy and make sincere efforts for improved relations.

The development of Japan-DPRK relations must lead to peace on the Korean peninsula and in the rest of Asia, he demanded.

Atsushi Akiyama, Social-Democratic member of the House of Councillors, said the ruling parties must take a very heavy responsibility for active promotion of the four provisions of the agreement.

He recalled that at the Japan-DPRK intergovernmental talks, Japan deliberately raised an issue that had nothing to do with normalisation of diplomatic relations.

Japan must not repeat it, he said, adding that it is important for Japan to approach the talks with independence, not studying the face of the United States and not raising any precondition.

Atsushi Nishikoori, Sakigake member of the House of Representatives, said that in the agreement the four parties promised to strive to let their respective governments actively promote the talks. This is as good as green light for the future of the two countries, he added.

If the two countries deepen mutual friendship and exchange and establish bilateral relations, they can remove the tension and achieve a genuinely durable peace in this region, he stressed.

Japanese Ex-Ambassador Supports Talks

SK1305110295 Pyongyang KCNA in English 1018 GMT 13 May 95

["Figures of Japan and Tanzania Support Agreement for Resumption of DPRK-Japan Talks" — KCNA headline; all names as received]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — CHOSON SIBO reported words of Yoske Nakae, former Japanese ambassador to China, on the adoption of the agreement for the resumption of DPRK-Japan talks.

Noting that the talks should be held without any precondition according to the agreement, he said that Japan must fairly and squarely have the talks with the DPRK as an independent state, not reading other's face. He went on:

Japan is doing as demanded by the United States and South Korea and even her main policy is affected by them and she should show clearly her political ideal at the talks to be resumed in the future and take a sincere attitude to the talks.

The liquidation of the past is the issue which should be clearly discussed at the talks with the DPRK, and Japan must turn back to the original point of liquidation of the past and normalization of the relations with the DPRK.

Joseph Mbwiliza, chairman of the Tanzania-DPRK Friendship Association, said in his recent statement that the agreement for resumption of the talks without any preconditions is of great significance as it will guarantee success in the talks between the DPRK and Japan.

Saying that the agreement has been adopted thanks to the energetic leadership of His Excellency the great leader Kim Chong-il, he expressed full support to the agreement.

Chongnyon Sends Letter of Thanks to Kim Chong-il

SK1305120595 Pyongyang KCNA in English 1029 GMT 13 May 95

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The great leader Marshal Kim Chong-il received a letter of thanks from the participants in the banquet he gave as a gift on the lapse of 40 years since the formation of the General Association of Korean Residents in Japan (Chongnyon) on May 25, 1955.

The letter dated May 10 says that such a benevolent and tender-hearted great leader of the people as respected General Kim Chong-il, who gave a banquet full of the aroma of the homeland, can be found in no other countries in the world.

We Korean residents in Japan have conducted worthwhile patriotic activities, blessed with great leaders through generations as we are guided by you, who have shown the paternal love for Chongnyon and the compatriots in Japan as the great leader Generalissimo Kim Il-song did, it notes, and says:

Indeed, you respected Marshal Kim Chong-il are the tender-hearted fatherly leader of the Chongnyon officials and compatriots in Japan.

Regarding your gift as nourishing food of eternal value, we will bring about a fresh turn in the patriotic work in this historical year and remain unfailingly loyal and devoted to you, believing in you without the slightest vacillation in any adversities.

The letter sincerely wishes a long life in good health to Marshal Kim Chong-il.

The banquet took place at the Korean Hall in Tokyo on May 10.

Present there were Chairman Han Tok-su, Chief Vice-Chairman Ho Chong-man and other officials of the Chongnyon Central Standing Committee, veteran cadres of Chongnyon, bereaved families of patriotic martyrs, officials of all-level offices, organizations and enterprises of Chongnyon, and representatives of compatriots including businessmen, youths and women.

Chongnyon Book Views Kim Chong-il Leadership

SK1405090295 Pyongyang KCNA in English 0804 GMT 14 May 95

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) — A book "Rays of Sun Reaching Overseas Compatriots" on the leadership exploits of the great leader Comrade Kim Chong-il for the movement of the Koreans in Japan was published by the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), according to the paper CHOSON SINBO.

The book contains two sections, the 1st "Great Inheritance" and the 2nd "Great Leadership".

The book tells many historical facts about the leadership exploits and the lofty virtues of Comrade Kim Chong-il who is leading and looking after the patriotic cause with deep attention to the Chongnyon work.

Japanese Participants in Festival Visit Chongnyon

SK1205121795 Pyongyang KCNA in English 1027 GMT 12 May 95

[All names as received]

[FBIS Transcribed Text] Tokyo, May 10 (KNS-KCNA) [dateline as received] — Kanji Inoki, leader of the Japan Sports Peace Party, member of the House of Councillors and president of the New Japan Pro-Wrestling Co., and his party who had taken part in the Pyongyang International Sports and Cultural Festival for Peace visited the Korean Hall in Tokyo on May 9.

They were greeted by Ho Chong-man, chief vice-chairman of the General Association of Korean Residents in Japan (Chongnyon), and Kim Tae-hui, director of the international department of Chongnyon.

Inoki said that the festival was successfully held thanks to the warm care of His Excellency respected Kim Chong-il and sincere efforts of the Korean people. He expressed thanks to Chongnyon for much help in preparations for the festival.

Agreement With PRC on River Navigation

SK1305043595 Pyongyang KCNA in English 0423 GMT 13 May 95

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — An agreement of the 34th meeting of the Korea-China Border River Navigation Cooperation Committee was signed in Pyongyang on Friday [12 May].

Present there were the members of the delegations of the two sides of the committee.

Protocol on Science Cooperation Talks With PRC

SK1205122995 Pyongyang KCNA in English 1049 GMT 12 May 95

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — A protocol of the 34th meeting of the Scientific and Technical Cooperation Commission between the governments of the Democratic People's Republic of Korea and the People's Republic of China was signed in Pyongyang today.

It was signed by Kim Ung-ho, vice-chairman of the State Commission of Science and Technology and chairman of the DPRK side of the Scientific and Technical Cooperation Commission, and Han Dejian, vice minister of the State Science and Technology Commission and chairman of the Chinese side.

The meeting took place here from May 9.

Vice Premier Hong Song-nam Meets PRC Group

SK1205121895 Pyongyang KCNA in English 1047 GMT 12 May 95

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — Vice Premier Hong Song-nam today met and had a friendly talk with a government scientific and technical cooperation delegation of China led by Vice Minister of the State Science and Technology Commission Han Dejian at the Mansudae Assembly Hall.

Present there were Vice Chairman of the State Commission of Science and Technology Kim Ung-ho and other officials concerned and Chinese Ambassador to Korea Qiao Zonghuai.

International Joint Venture Group Meets

SK1305044195 Pyongyang KCNA in English 0426 GMT 13 May 95

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — The eighth meeting of the Council of the Korean International Joint Venture Group was held at the Mansudae Assembly Hall on May 11 and 12.

Present at the meeting were Vice-Premier Hong Song-nam, who is director of the Korean International Joint Venture Group, Vice-Chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Choe Pyong-cho and Vice-Chairman of the State External Economic Affairs Commission Kim Chong-u, who are deputy directors of the group, and other members of the council.

Members of the economic joint venture delegation of Chongnyon staying in the socialist homeland were also on hand.

The meeting reviewed the results of the implementation of the decisions of the 7th meeting of the council and discussed the matters arising in the contractual and equity joint venture.

Foreign Party Leaders Greet Kim Chong-il

SK1505045495 Pyongyang KCNA in English 0448 GMT 15 May 95

[Spellings of all names as received]

[FBIS Transcribed Text] Pyongyang, May 15 (KCNA) — The great leader Comrade Kim Chong-il received messages from party leaders of different countries on the occasion of the birth anniversary of the great leader President Kim Il-song.

They came from Vladimir Burdyugov, chairman of the Political Council of the Left Party of Russia, V.I.E. Skurlatov, chairman of the Executive Committee of the Russian Free Patriotic Party for "Revival", and I.N. Brumel, chairman of the Moscow Organization of the Party, Florian Petrescu, chairman of the National Committee of the Socialist (Communist) Party of Romania, Klaus Riis, chairman of the Central Committee [C.C.] of the Communist Party (Marxist- Leninist) of Denmark, and Hardial Bains, national leader of the Communist Party (Marxist-Leninist) of Canada.

The messages extend their wholehearted salute to Comrade Kim Chong-il on the occasion of the birthday of President Kim Il-song.

They wish success to Comrade Kim Chong-il in the work for carrying forward the socialist cause to accomplishment and achieving the independent and peaceful reunification of Korea.

Messages also came to him from the Central Committee of the Communist Party of Romania and the Political Bureau of the New Party of the Congress for the Independence of Madagascar on the occasion of the birthday of President Kim Il-song.

Meanwhile, the Central Committee of the Workers' Party of Korea received messages from P.N. Simonenko, first secretary of the C.C. of the Ukrainian Communist Party, Marian Donnelly, president, and Pat Quearney general secretary, of the Workers' Party of Ireland, Renan Raffo Mun general secretary, and Guillermo Herrera Montecinos, international secretary, of the C.C. of the Peruvian Communist Party, on the same occasion.

KPA: Become Bombs To Protect Kim Chong-il

SK1305044695 Pyongyang KCNA in English 0441 GMT 13 May 95

["KPA Soldiers Vow To Become Rifles and Bombs To Safeguard Supreme Commander" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 13 (KCNA) — A soldiers' meeting of the Ministry of the People's Armed Forces and meetings of units of the three services of the Korean People's Army [KPA] were held to implement the calls of the Central Committee of the Workers' Party of Korea [WPK] on the 50th anniversary of its foundation. Meetings heard the steadfast determination of the KPA soldiers to defend our territory and territorial air and waters as firm as an iron-wall by effecting a great innovation in strengthening combat preparations and power.

Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the General Staff of the KPA, made a report at the soldiers' meeting of the Ministry of the People's Armed Forces.

It was said at the meetings that all the officers and men should adorn the 50th anniversary of the party foundation as a grand festival of victors by further strengthening the political and military might of the KPA, the revolutionary Armed Forces of the party and the main force for the accomplishment of the revolutionary cause of chuche, through a powerful drive to implement the calls of the party Central Committee.

The meetings stressed the need to strengthen in every way the singlehearted unity of the whole army around respected General Kim Chong-il and more thoroughly establish the army command system of moving as one on the orders of the supreme commander.

It is emphasized at the meetings that "let the whole army become rifles and bombs to safeguard respected supreme commander!" This is a slogan of loyalty the KPA officers and men should hold high in the general onward movement and their pledge of faith.

The meetings stressed that all the soldiers should prepare themselves to be competent commanding officers and a-match-for-a- hundred soldiers, fortify posts and positions, make full combat preparations so as to defend their territory and territorial air and waters as firm as an iron-wall and creditably guarantee the cause of the party, the socialist cause of chuche, with arms.

The resolutions which were adopted at the meetings reflect the KPA soldiers' determination to become fortresses and shields to defend the party with arms and our revolutionary cause with arms by carrying through the militant tasks set in the calls of the party Central Committee.

Daily on Kim Chong-il's Leadership Theory

SK1205114295 Pyongyang KCNA in English 1009 GMT 12 May 95

["NODONG SINMUN on Absolute Position, Decisive Role of Leader" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 12 (KCNA) — NODONG SINMUN today carries a by-lined article titled "The Absolute Position and Decisive Role of the Leader in Accomplishing the Cause of Independence of the Masses," which elaborates on the theory on the leader being the centre expounded by respected Comrade Kim Chong-il.

The article quotes the great leader Comrade Kim Chong-il as saying:

"The leader who guides the masses of the people is the core and the centre in the strength of propelling the revolution and construction and in the power of the country. So, when thinking of the popular masses and their position and role, I think of the leader, their centre, first.

"It is my invariable thinking pattern to think of everything with the leader put into main consideration. I always hold to the theory on the leader being the centre."

The article says:

The theory on the leader being the centre, in a nutshell, means that the leader takes an absolute position and plays a decisive role in shaping the destiny of the popular masses as the centre of the life of the socio-political collective.

The theory expounded by Comrade Kim Chong-il is the first of its kind in the history of the international communist movement.

Since he made clear the truth that the leader takes an absolute position and plays a decisive role in making history and shaping the destiny of the popular masses, the historical limitation of the preceding theories has been overcome and the revolutionary theory of the working class developed at a higher stage with the theory on the leader being the centre as the keystone. As the idea that the leader is the brain of the socio-political organism was expounded, it has been fully proved that the masses with no sagacious leader are the same as a body without brain. And a profound truth of the revolution has been clarified, the truth that as all the internal organs of organism are directed by the brain and their activities are devoted to defending it, remaining faithful to the monolithic guidance of the leader and loyal to him is the attitude and stand proper to the people and the demand of their life.

The theory on the leader being the centre is the most just one based on a scientific analysis of the historical lesson in and experience of the communist movement in Korea.

The article further says:

The historical lesson in socialist construction shows that without an outstanding leader, the revolutionary cause of the popular masses cannot evade adversities and failure.

The revival of capitalism in ex-socialist countries is attributable entirely to the lack of the guidance of an outstanding leadership. If those countries had been guided by outstanding leaders, the guiding idea of the revolution and the communist theories would have been developed and the revolutionary principles of socialism and independence maintained in keeping with the demand of the time and there would have not been such a tragedy as the collapse of socialism in those countries.

The theory on the leader being the centre is the basic foundation for making our people's loyalty and filial duty to the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il the most solid and noble ones based on revolutionary faith and obligation.

Kim Chong-il Lauded as Defense Commission Head

SK1305003295 Pyongyang NODONG SINMUN in Korean 9 Apr 95 p 1

[Editorial: "Our Fatherland, Which Is Upholding the Great Iron-Willed General, Is an Impregnable Fortress"]

[FBIS Translated Text] Today is the second anniversary of the great leader Comrade Kim Chong-il's election as chairman of the DPRK National Defense Commission. On this meaningful day, all people and People's Army officers and men across the country, cherishing deep in their hearts the boundlessly great honor and happiness of upholding respected and beloved Comrade Kim Chong-il, an ever-victorious, iron-willed brilliant commander, at the top of the country's national defense forces and revolutionary forces, are filled with a rock-solid resolve to single-heartedly unite around the comrade supreme commander and, thus, reunify the fatherland and complete the chuche revolutionary cause to the end.

Respected and beloved Comrade Kim Chong-il was elected as chairman of the DPRK National Defense Commission at the fifth session of the Ninth Supreme People's Assembly, which was held on 9 April 1993 with the great leader Comrade Kim Il-song in attendance. This was a historic event of great importance in solidly defending national security and the revolutionary cause and advancing socialism of our own style victoriously. This also was the brilliant realization of the unanimous aspirations and earnest desires of our people and all People's Army officers and men.

In order to crush the antirevolutionary offensives by the imperialist aggressors and reactionaries and successfully build socialism, we must uphold the great leader [yongdoja] at the top of the country's national defense forces. The destiny of the nation and that of the revolution depend on the leader [yongdoja], and when we uphold a great iron-willed general at the top of the national defense forces, we can solidly defend the socialist cause and persistently advance revolution and construction.

By upholding respected and beloved Comrade Kim Chong-il at the top of the national defense forces, our people and People's Army have become able to defend socialism of our own style, which the great leader built, like an impregnable fortress and brilliantly complete the chuche revolutionary cause.

The great leader Comrade Kim Il-song has taught: "Comrade Kim Chong-il has an indomitable will and courage, outstanding strategy, and art of military operations befitting the supreme commander of the revolutionary forces. And, this is a guarantee for endlessly strengthening and developing our revolutionary forces and winning every battle."

The great leader Comrade Kim Chong-il is our era's outstanding military genius to whom mankind gave birth in the 20th century.

Respected and beloved General Kim Chong-il grew into the general of Mt. Paektu amid the sounds of rifle and cannon shots of the great anti-Japanese war. And during the fatherland liberation war, he was standing with the fatherly leader at the table mapping out plans of military operations at the Supreme Headquarters. The great leader Comrade Kim Chong-il, who fully embodies the outstanding military trait of the great leader Comrade Kim Il-song, who gained a reputation as a legendary hero by defeating the two powerful imperialist groups, worked with the leader to develop and enrich the idea of building a chuche-oriented army. He also worked with the leader to strengthen the revolutionary forces and the country's defense capability. He also led the struggle to defend the dignity and sovereignty of the country and the nation with the leader. Throughout the days of this history, the great leader Comrade Kim Chong-il has brought about immortal achievements in army building for the era, the revolution, the fatherland, and the people and, as a result, has come to enjoy absolute authority as the outstanding military genius of our era. Apart from the tested leadership of the great leader Comrade Kim Chong-il, we cannot talk about any victories and achievements brought about in the struggle to strengthen the revolutionary forces and consolidate the country's defense capability. And, apart from this leadership, it is unthinkable that our national sovereignty is being defended solidly despite the tense confrontation with the imperialists.

The more they long for the fatherly leader — the founder of our revolutionary Armed Forces and the guardian of our fatherland, nation, and revolution — the more our people and the officers and men of the People's Army are holding the image of the leader [suryongnim] in high esteem by looking at the prominent features of the great Comrade Kim Chong-il, and the more keenly they realize what high honor and happiness they have in upholding the respected and beloved General Kim Chong-il at the top position of the country's national defense forces.

Because the respected and beloved Supreme Commander Comrade Kim Chong-il, who has absolute authority as the great iron-willed, brilliant commander, was elected chairman of the DPRK National Defense Committee, we have been able to firmly safeguard our revolutionary cause from generation to generation and to see an endlessly bright future unfolded along the road to the fatherland and the revolution.

Because they have come to uphold the great leader Comrade Kim Chong-il at the top position of the country's national defense forces, our people and the officers and men of the People's Army have been able to consummate the cause for army building, which the great leader [suryongnim] pioneered, to the end with the ever-victorious, chuche-oriented military ideology and theory.

The primary mission of the brilliant commander, who is leading the revolutionary Armed Forces and the country's national defense forces, lies in putting forth the correct ideology and theory on army building and leading the cause for army building to victory.

With matchlessly outstanding wisdom and activities while denying himself sleep and rest, the respected and beloved Comrade Kim Chong-il has developed and enriched the chuche-oriented military ideology and theory created by the great leader, thereby providing the most correct guiding principle. for the building of the revolutionary Armed Forces. The chuche-oriented military ideology, theory, and tactics elucidated by the respected and beloved comrade supreme commander are the most scientific military theory based upon a man-centered philosophical principle; and they are an ever-victorious military theory with which one can build powerful revolutionary Armed Forces and vanquish any imperialist army of invasion. Because of the chuche-oriented military ideology, which consistently has a revolutionary and scientific nature, our revolutionary Armed Forces have been able to firmly defend their revolutionary nature as the army of the leader, the army of the party, and our people have been able to firmly consolidate the country's national defense capability in conformity with the fatherly leader's lifetime wishes. No matter what time has passed and no matter what generations have changed, our people and the officers and men of the People's Army are lucky enough to be able to resolutely defend the achievements of the leader, who founded the revolutionary Army for the first time with the immortal military ideology and theory.

Because our People's Army, which the great leader founded and fostered, upholds the respected and beloved Supreme Commander Comrade Kim Chong-il at the top position of the country's national defense forces, the People's Army has been able to strengthen and develop itself as an invincible, powerful army forever.

The People's Army is the core of the self-reliant national defense capability. The respected and beloved comrade supreme commander has devoted his innumerable efforts and energy to developing our revolutionary Armed Forces into the genuine army of revolution, which is endlessly loyal to the party and the leader, and into an invincible, powerful army, which can defeat any powerful imperialist enemy. Due to such an energetic leadership, our People's Army has been incomparably strengthened and developed politically and ideologically, militarily and technologically.

Today the People's Army has firmly established a revolutionary military trait in which the entire Army moves as one on the order of the respected and beloved comrade supreme commander, and is filled with loyalty to death-defyingly fight for the party and the leader. The military and technological might of our People's Army is also great. Our People's Army is proud of being an invincible revolutionary armed force with powerful offensive and defensive means and creative chuche war tactics. As long as we have the one-is-a-match-for-100 ever-victorious army fostered by the great leader Comrade Kim Chong-il, we are afraid of nothing.

The great leader Comrade Kim Chong-il has wisely led the work of converting the entire country into an impregnable fortress, as well as strengthening the People's Army in every way. The idea to arm all the people and convert the entire country into a fortress has been brilliantly realized under the respected and beloved comrade supreme commander's leadership, and the Red Workers Peasant Militia and the Red Youth Guards have thereby been further strengthened. Today we have a strong self-defensive national defense industry that enables us to modernize the country's defense capability with our own strength whenever we intend to. The traditional virtue of army-people unity has generally been advanced at a new and higher stage, and the unity between the army and the people in ideology and will has been further strengthened.

The extraordinary greatness of the respected and beloved comrade supreme commander is plainly proved by the proud reality that he has firmly prepared for our self-defensive national defense forces even in the unusually difficult and arduous condition in which we have carried out socialist construction while smashing the enemy's every war provocation maneuver in a confrontation with imperialists.

The imperialists and reactionaries are now constantly waging antisocialist maneuvers to stifle [apsal] our country, which is advancing with the banner of socialism held aloft. However, our people and People's Army are courageously and reliably defending the national sovereignty and revolutionary gains because they uphold the great leader Comrade Kim Chong-il, who always gains supremacy over the enemy and drives the enemy into a corner by using his smart and brilliant wisdom and tactics at the top of the national defense forces. All victories achieved in the course of advancing the socialist cause while smashing various challenges of the imperialists and reactionaries are the victory of the iron-strong faith and will, extraordinary strategies and tactics, and outstanding military wisdom of the respected and beloved Comrade Kim Chong-il, a great iron-willed general.

Today our people and all People's Army officers and men have the heavy and honorable task of further strengthening the national defense ability and hastening the fatherland's independent reunification and the ultimate victory of the socialist cause in accordance with the demand of the prevailing situation.

Even today, when the DPRK-U.S. agreed framework have been adopted and effectuated, the imperialists and reactionaries are still frantically engaged in military pressure commotions against us and bringing modern military equipment into the entire territories of South Korea on a large scale. However, the enemy's maneuvers cannot frighten our people and People's Army under the extraordinary leadership of the great iron-willed general.

All the people and People's Army officers and men must more highly display the might of the single-hearted united revolutionary ranks to defend the socialist fatherland and the revolutionary achievements and score greater upsurges in socialist construction.

Our single-hearted unity is single-hearted unity in which the entire party, all the people, and the entire Army are strongly united around Supreme Commander Comrade Kim Chong-il ideologically, voluntarily, and morally. The invincibility of our revolution and its bright prospects lie in this great single-hearted unity. When alive, the great leader Comrade Kim Il-song earnestly taught the entire party, all the people, and the entire Army to unite, unite, and unite around Comrade Kim Chong-il to complete the chuche revolutionary cause to the end. All the party members, workers, and People's Army officers and men must not forget the behests of the fatherly leader, uphold the leadership of the comrade supreme commander with loyalty, devotion, and single-mindedness, and resolutely protect great Comrade Kim Chong-il by becoming rifles and bombs.

The People's Army is the reliable defender of our party, revolution, fatherland, and people.

By consistently and thoroughly implementing the party's line on modeling the entire Army after the chuche idea, all People's Army officers and men must strengthen the People's Army's combat capability by all means and defend our territorial land, airspace, and waters like a fortress. People's Army officers and men must fill all ranks with a revolutionary military discipline of implementing, through thick and thin to the end, any order or instruction from the supreme commander and with the traditional beautiful trait of unity between officers and men and unity between party members and League of Socialist Working Youth members. They must also more strongly prepare themselves as one-is-a-match-for-100 fighters.

Defending the socialist fatherland is an all-people work. All the party members and workers must strongly arm themselves with our party's chuche-oriented view on war and firmly establish, throughout all of society, the trait of attaching significance to military affairs and learning them in earnest. Also, all people and People's Army officers and men must thoroughly implement our party's idea on achieving unity between the Army and the people and, thus, more thoroughly establish a trait in which the Army helps the people and in which the people sincerely assist the Army.

The struggle to implement the party's revolutionary economic strategy is a struggle to highly display the superiority of socialism of our own style while strengthening the country's might. All officials, party members, and workers, in hearty response to the slogan of loyalty -- "What the party decides, we will do!" — must score great upsurges in agriculture, the light industry, trade, and all other fields of socialist construction.

The road toward completing the chuche revolutionary cause is long and turbulent. However, a victory is a certainty. We have Comrade Kim Chong-il, the respected and beloved supreme commander, who is an ever-victorious, iron-willed general; invincible unity among the party, Army, and people; a powerful self-defensive national defense capability; and a strong self-reliant economy.

As long as there is the consummate and tested leadership of Comrade Kim Chong-il, the respected and beloved supreme commander, who fully embodies the wisdom of a great general and is leading our revolutionary cause at the vanguard, our Republic is and will always be an impregnable fortress.

Essay Says Kim Chong-il 'People-Oriented'

SK1405043095 Pyongyang Korean Central Broadcasting Network in Korean 2223 GMT 11 May 95

[Essay: "Most Genuine People-Oriented Trait"]

[FBIS Translated Text] For thousands of years since the history of mankind began, there have been numerous stories praising the traits of great men who achieved fame for the sake of their countries and people. However, there had been no story, in the East or West, at present or in the past, about a great man whose thought and philosophy are great, whose leadership traits and wisdom are great, whose personality and virtue are great, and who have the complete trait of a people-oriented leader. Then, just like there is only one Venus among the numerous stars in the vast universe, we heartily see the traits of a great man among great men and a hero of heroes in the traits of Comrade Kim Chong-il, a matchless great man who is respected by all people.

The trait of a great man of great men and a hero of heroes is a genuine people-oriented trait found in the most ordinary human life, not the trait of a man of special status, special activities, or living conditions who is removed from the popular masses. One cannot possess such a trait merely because one wants to, and one cannot pretend to possess it. Only a man among men who has the noble human character with which to boundlessly love the popular masses, who is candid and frugal in his daily life, and who is humble-minded can possess the most genuine people-oriented trait.

The trait of a people's genuine leader [chidoja] is unthinkable apart from genuine human character, candidness, and humble-mindedness. Therefore, a great man who has genuine human character, candidness, and humble-mindedness can become a great leader.

The trait of a people's genuine leader is manifested in boundless loyalty to the revolutionary cause and the people. A people's leader considers it to be his basic duty to always go among the masses whether it snows or rains, listen to their voices, and lead revolution and construction to victory. The person who possesses such a great trait is none other than respected and beloved General Kim Chong-il, whom our party and our people boundlessly respect and uphold.

A people's leader learns wisdom, leadership skill, and virtue from the people. The center of the thinking of dear Kim Chong-il, who most highly and completely embodies the great trait which the people's genuine leader should possess, is always the people. Because he was born for the people and devotes himself to the people's supreme happiness, he considers it to be his noblest and most honorable duty and his lifelong motto to map out every line and policy of the party based on the people, thoroughly defend the people's aspirations and demands, and devote himself to their happiness. His revolutionary activities based on this idea are truly people-centered activities and great activities for devotedly serving the people.

The history of the leadership of the dear comrade leader, the most outstanding people's leader who wisely leads the revolutionary struggle and construction to complete the chuche revolutionary cause, which was cultivated on the peak of Mt. Paektu, always shares joy and sorrow with the people, and has the most genuine people-oriented trait, his is entirely the history of his great love for the people. Throughout the days of this history, he has never been away from the people or placed himself above them. Moreover, our leader Comrade Kim Chong-il considers the immortal achievements which he himself has brought about while glorifying the era of chuche throughout the world to be those of the popular masses.

Today, the people emotionally recall immortal stories about his genuine people-oriented trait, which they cherish deep in their hearts and will hand down generation after generation.

Fifty-odd years have passed since the day the dear Comrade Kim Chong-il rose high as the bright star of Mt. Paektu amid the boundless blessing of all the people. Each day of the history was filled with victory and glory. The dear comrade leader held the steering wheel of the times and built the great monumental creations on this land while crossing over arduous cliffs with his bright wisdom, peerless courage, and outstanding leadership. Fundamental turning points in the party work were brilliantly engraved on the chronicle of our party's history. The world's people envy the invincible unity between the leader, the party, and the masses. Brilliant miracles during the great socialist construction expanded the vigorous wings of the revolutionary leap. The grand garden of the chuche-oriented literature and art created a great ripple in the world. We could not imagine all these without the dear comrade leader.

However, he [Kim Chong-il] said all these achievements are the results of the dutiful fighters who uphold the great leader [suryong], and the brilliant fruitions that have been brought about by our people's creative wisdom, strength, and loyalty. Every page of his work and life beautifully blooms noble traits that only the people's genuine leader [chidoja] possesses.

Upon the issuance of the Kim Il-song Medal, which was the first medal in our country to have used the great leader's esteemed name, the Central People's Committee [CPC] decided to give the first medal to the dear comrade leader. When he learned about this, he stopped them from the beginning. In February after four years, people from across the country sent letters to the CPC asking that the medal be given to the great leader [yongdoja] Comrade Kim Chong-il on his birthday, but he again stopped them by saying he has not worked enough to deserve the esteemed award. This was repeated afterwards. Finally, after seven years, the people had their will and the honorable number-one Kim Il-song Medal was given to the dear comrade leader and his brilliant achievement and boundless modesty was known to the world.

Despite the high records of great achievements that not many great men can accumulate, he was unassuming and declined the honor. Our people deeply bowed to his unique personality. Our people cannot forget the strong emotion of that day. Today, the people have faced another historical event that shook the sky and the earth and warmly moved the hearts of all the people. The fatherly leader personally prepared a CPC decree designating the great leader [yongdoja] Comrade Kim Chong-il's birthday as the nation's greatest festival. It is a wondrous fact that the decree had been kept as a document for three years and was finally announced in last February on his 53d birthday.

At the historic moment, what made our people's hearts so warm and filled with so much emotion? That is the greatness of the dear Comrade Kim Chong-il, who has the absolute loyalty to uphold only the fatherly leader forever, the loftiest morality and faithfulness, and noble modesty. Despite the immortal achievements that will shine for ages in front of the times and history, he held back the announcement of the decree that reflected our people's long- cherished desire. Indeed, he is the sole great human being in the world.

There are many legendary stories on the greatness of famous politicians in human history, but there never were and never will be such revolutionary anecdotes on the respected and beloved Comrade Kim Chong-il's unique features as a great man, who is boundlessly respected and admired by the people of the world. The great leader [yongdoja] Comrade Kim Chong-il does everything for the great leader [suryong], the fatherland, and the people, but always declines and stops things for himself. He is indeed the utmost reincarnation of a great man sent by heaven with the loftiest people-oriented trait in the world.

The dear comrade leader always thinks of the tasks of the revolution before thinking of himself, thinks of the people's happiness before thinking of his own pains, and gets the people's names spotlighted ahead of his own name.

Deep into the night on 16 February on a certain year, when the functionaries told the dear comrade leader that that day was his birthday — he had been completely forgetful about his birthday — he said that he did not observe his birthday, adding that because he had been born and had lived in the blaze of the anti-Japanese revolutionary struggle, he did not know how to celebrate his birthday. This deeply moved the people with the weight of tens of thousands of kun.

Seeing the infant comrade leader, who was born in a log cabin in the ancient blizzardy Paektu forest and was seeing the blue sky of the country wrapped in the military uniform of Comrade Kim Chong- suk, the female fighters of the anti-Japanese revolutionary struggle made a patched-cloth quilt picking cotton from the military uniforms they were wearing and taking out patches of cloth they found in their backpacks. He was brought up in this quilt and spent his childhood, treading the gravel in the yard of the old home of Paektu.

Because he was brought up in this way, he worked for the prosperity of the country and for the endless happiness of the people day and night, even on his birthday when he should receive the people's blessings, thus his birth remained only in the people's hearts.

Let people ask this question: Has there ever been a leader of any country who worked until late at night at his desk with a high pile of papers from various sectors of the people's economy rather than at a birthday table on his birthday? As the universe is reflected in a small drop of water, so this single fact reflects his invariable motto of life.

Truly, he is a great man who regards it as his greatest happiness to work, sharing joy and sorrow with the people and exposing himself to the snow and rain of the passage of time. The great man's simplicity and humbleness is the truest trait of the leader of the working class who devotes his life to the popular masses.

The respected and beloved Comrade Kim Chong-il embodied the noble trait as the people's leader when he was young. His infinitely simple and thrifty life can be seen from the clothes he wears. He wears exactly the same clothes as those of an ordinary man. As one can see him on film and on the television screen and in photographs, the clothes the dear comrade leader always wears are the buttoned-up jacket or simple zip-up jacket which any of our people wear under ordinary circumstances.

The clothing he wore during his on-the-spot guidance to the Komdok District was a simple jacket with four buttons made of mixed vinalon fabric that had shrunk after being worn for a long time. In response to a suggestion made by a functionary when he was about to leave on a long journey, he said, "It is not appropriate that a man should be dressed up setting off on a working journey. I ought to wear the same clothes as they do." Thus, wearing the clothes as described above, he set off on the journey for on-the-spot guidance.

People have witnessed the heart-warming scene of the dear Comrade Kim Chong-il wearing his simple clothes from the photograph showing his entrance to the underground face of Komdok in a cart wearing a safety helmet. In this immortal picture, people vividly see his benevolent and highly virtuous character and exceedingly thrifty and simple appearance.

He always lives an ordinary and thrifty life with the people without alienating himself from the people, and does not look for the slightest special privilege for himself. Therefore, his noble humane trait is passed on endlessly as a legend of the present times with prominence unequalled by anyone.

The trait of our respected and beloved Comrade Kim Chong-il — who has all the virtues that a great man, not to mention a great leader, should have — is the model of the great trait that the leader of the working class should have, and invites the admiration of the people of the world.

Thus there is no greater glory and pride in the world than the glory and pride of our people who uphold him as their great leader.

Comrade Kim Chong-il is the true leader of the people. He respects the people and spotlights them like heaven and humbles himself as the son of the working people and as a comrade treading the road of the revolution together with the people.

One summer, Kim Chong-il visited a mountain village farm. When he saw the good harvest, he inquired of the farmers about their farming experience. The farmers said the place suffered from cold weather, and they had to select the right rice seeds and build a proper waterway and puddles in order to heat the water and send it to the paddies. He commended the farmers as the teachers of mountain farming. That evening, the dear comrade leader told functionaries to generalize the farm's experience to all mountain villages across the country, repeatedly commending the farmers as teachers.

The great leader [yongdoja] Comrade Kim Chong-il stated: "The reality is an excellent school and the popular masses are the teachers. I call the popular masses teachers because the popular masses best know the reality and have rich experience. Human history, which flows on in the course of reforming the world, shows that the strength and wisdom of the popular masses is limitless. There is nothing in the world stronger than the strength of the popular masses or wiser than their wisdom. I worship the popular masses as great teachers. I will bow my head and learn from people all my life in order to become the beloved son of the popular masses. This is my motto."

Because he worships the popular masses as farsighted and almighty great teachers and learns from them, he has embodied in himself the unrivaled courage and passion, extraordinary wisdom, and rich knowledge and experience of the popular masses. Because he derives the source of his far-seeing wisdom and extraordinary strategy from the strength and wisdom of the popular masses, he devotes everything to the popular masses, always values the popular masses, and regards them as the teachers of everything. Herein lies the unique loftiness of his predominant personality and great traits.

His people-oriented trait is boundlessly humble and thrifty. His endlessly modest, ordinary-person personality derives not simply from his job or manner, but is based on a chuche-based view of the people, on thorough trust, and on an unmatched philosophy of love for the people. Where is the source of the people-oriented trait that is the eternal model our people must learn generation after generation? Just as a long river flowing toward the sea has its fountain, and as a mountain whose ridges spread to the broad land has its roots, the great trait has its source. The dear comrade leader's outstanding trait, which cannot be imitated by any great man in the world, is directly inherited from the personality of the legendary hero and the nation's sun, Comrade Kim Il-song, who was born to a family that was patriotic and revolutionary generation after generation, and who for the first time in history created the most genuine people-oriented trait that is the acme of the communist traits in name and reality.

Yes. As the flower is the symbol of the world's beauty, so is his great trait the symbol of the people-oriented trait of the world's politicians. Such a great trait, whose greatness has never been heard before and never will be, has an extraordinary influence and drive that attracts the hearts of the people and draws the world closer. Herein lies the most beautiful and lofty harmony of human traits.

One of the sacred signs defining the value of human beings is their traits. Therefore, the greatness of a leader [suryong] does not exist without the beauty and loftiness of the human trait. No matter how great a man may be, if he does not have human attraction, people will neither trust nor follow him. When one has the most people-oriented trait in ideology, spirit, heart, attire, language, and diet, only then will people be attracted by him not only humanly but also ideologically and spiritually, and will trust and worship him.

One who is truly fascinated by a great man will follow the will of that great man. This is the truth of life. We find this in the historical scene of the pioneering era of the Korean revolution.

Because the respected and beloved Comrade Kim Il-song had the noble traits a great leader should embody even when he was young, hot-blooded ambitious youth gathered around him in great numbers, attracted by his personality. Believing in and following him, they pushed their way through the revolution, sharing their destiny and future with him.

As the revolution is inherited generation to generation, so the communist trait is inherited with added luster generation to generation due to the wise leadership of the outstanding leader. The truest people-oriented trait that is solidified and purified in the rain and snow of the passage of time is brilliantly inherited and developed today by the great leader Comrade Kim Chong-il as an all-society trait.

He took a wise step to comprehensively embody the great leader-style work method in conformity with the demand of the new stage of development of the revolution, accelerating the modeling of the entire society on the chuche idea. Therein contained is his grand plan to brilliantly complete the chuche revolutionary cause generation to generation by thoroughly embodying the great leader's revolutionary idea, including the work method and work style of functionaries.

Today, this has bloomed beautifully throughout society, enhancing the people's ideological, spiritual, and moral trait to the loftiest plane. The entire society of our country is filled with the most sublime trait of sacrificing the individual's happiness and interest for the good of the collective and of society, even willing to give one's own bone and flesh as well as one's life for the good of one's comrades without hesitation.

Today, our country demonstrates to the entire world its true human trait as a great harmonious family wholeheartedly united in loyalty and filial dutifulness, advancing vigorously at the head of the world without the slightest deviation toward the realization of the cause of socialism.

The attractive force and influence of this great trait, which is unthinkable under ordinary circumstances, is the source of the great power that develops the grand world, growing the chuche-type new man with a communist character as well as loyalists and dutiful children all boundlessly loyal to the leader.

Blooming widely throughout our country today is only one trait, the communist trait that originates in the great family tradition and that inherits the lineage of the Mangyongdae revolutionary family.

Without being influenced by any lifestyle borne by the crazy disordered wind of the world, we are comprehensively establishing the life-style of the popular mass-centered socialism of our own style throughout society.

Truly, the great trait we cannot trade for anything exists throughout the entire period of socialist and communist construction, and will be passed on for generations to come, resplendently engraved in the history of mankind.

There will be only victory and glory resplendently shining in the future of our revolution in which the great leader Comrade Kim Chong-il — who perfectly embodies on the loftiest plane the most sublime and noble people-oriented trait in the history of mankind — brilliantly embodies the revolutionary leadership art that shines with the ray of the chuche idea as well as the leader-style work method in revolution and construction.

Long live the truest people-oriented trait that will bloom beautifully in the distant future as well as it did yesterday and today!

*Kim Chong-il Said To Unify Society as 'Family'

952C0100A Pyongyang NODONG SINMUN in Korean 10 Jan 95 p 2

[Article by Pak Nam-chin: "The Great Leadership That Has Turned the Whole Society into a Big, Harmonious Family"]

[FBIS Translated Text] To live in harmony and solidarity is a human desire. From the beginning, humanity has lived a social existence, working out their destiny by uniting and cooperating with one another. Only in a society where harmony and solidarity have become realities can people enjoy a genuine life worthy of man that meets their inherent demands. In capitalist society characterized by the antagonism and mistrust among people that have reached the extremity, and by the law of the jungle that prevails, people are subjected to an inhuman life and they bite and tear at one another. It is a virtual animal world and it is doomed.

Today in our country, the relationship between the helmsman and the people has become that of the real father and his children, while the relationship between people has become that of real brothers and sisters. Thus, the whole society has become literally a big, harmonious family. In many countries now, people are biting and tearing at one another in their totally disrupted society, and mistrust and exclusion have become a way of life; in our country, however, the whole society forms a big, harmonious family of which we can be truly proud.

The great helmsman Comrade Kim Chong-il pointed out as follows:

"In our society, all its members trust, love, and help one another. They form a big, harmonious family, enjoying a worthy, happy life together. This is the true feature of our society."

Vividly manifesting the true features of our society, in which the entire nation forms a big, harmonious family, is the fact that the relationship between the helmsman and the people has been solidly turned into that of the real father and his children.

We cannot think of a family apart from its parents. Likewise we cannot think of a big, social family apart from its father. The father of the big, social family is the great helmsman of the people. When the people live under a great helmsman who ardently loves the people, they come to uphold and follow him as the helmsman of their revolution as wholeheartedly as the children uphold their father.

Today, our people have the great helmsman Comrade Kim Chong-il over them as their real father, devoting to him all their loyalty and piety. Our people are wishing their helmsman safety and a long healthy life. They have had sleepless nights, filled with deep remorse for their failure to ensure the fatherly leader a longer life. And now, for the unfinished parts of their loyalty and piety to the leader, they are resolved to make up by being a hundred times and a thousand times more loyal and pious to the great helmsman Comrade Kim Chong-il and to ensure a long healthy life for him. This is how lofty the moral world of all our people is. Wishes earnestly expressed by our people of all strata in their countless letters to the helmsman of the revolution were all for a long, healthy life for the great commander-in-chief who is continuing energetic activities day and night. Both known and unknown revolutionary warriors offered to the great helmsman, humbly and with their best wishes, wild ginseng and other herbs for which they had to scale steep mountain ranges. Their hearts were filled to overflowing with utmost piety wishing the great Comrade Kim Chong-il his well-being. Only a people upholding their helmsman as their real father can live in such a lofty, moral world.

The loyalty and piety of our people upholding the great helmsman as their real father is based on an unblemished sense of obligation to repay the great helmsman even a fraction of the deep fatherly love and benevolence he bestows on them. In July last year, when the whole country was writhing with grief at the painful loss of the great leader, the great helmsman Comrade Kim Chong-il arranged a flight of love for the triplets in Kimhwa County. He also dispatched a helicopter to rescue the crew and fishermen when their lives were in peril in the sea off Hwadae. In the benevolent affection he showed in these and other cases—namely, in the love of the great helmsman Comrade Kim Chong-il, who continues an all-out effort to let our people have a fully developed, affluent, and modern life by thoroughly implementing the party's revolutionary, economic strategies—our people are feeling the warm hands of the affectionate fatherly leader.

Expanding among our people now are the ranks of good subjects and good children who devote themselves to struggles to repay the helmsman even a fraction of his great fatherly love, the love growing even greater as time goes by. Chong Chun-sil, head of the Chonchon County Commercial Office, exerted every effort not for a personal honor or promotion for himself but for the moment to have the great helmsman Comrade Kim Chong-il visit Chonchon and make him feel happy and proud. Youthful man and women of the Koryo Service Management Bureau volunteered their service on socialist cooperative farms. Their commendable deeds are basically an expression of what they have in their hearts for their father as good sons and daughters. This vividly shows that in our country the relationship between the helmsman and the people has transcended that between the leading and the led, subliming into the relationship of the political guardian and warriors, and that of the father and children, with one side giving love and the other repaying it with loyalty and piety, one side looking after the destiny entrusted to it by the other.

The true features of our society where the whole country forms a big, harmonious family are also seen in the fact that all its members are living in harmony as real brothers and sisters, trusting and loving one another.

In our country, all members of society live as real brothers and sisters of a big harmonious family with the great helmsman at its head as the father. All our functionaries, party members, and working people are helping and leading one another in every aspect of life as if they were members of one and same family, irrespective of difference in personality, taste, social responsibility, or birthplace. Today, in our society as a big harmonious family, superiors lead subordinates, treating them as revolutionary comrades, while the latter respect and uphold the former wholeheartedly as close comrades charged with more important duties. Furthermore, it has become an increasingly solid way of life that all people share joys and sorrows together. Instances of good deeds of people trusting and helping one another abound everywhere in our country, in every unit and workplace.

Reported everyday in our country—where the great helmsman is viewed as the father of the people and all live as real brothers and sisters—are stories of good conduct such as the deeds of those unhesitatingly sacrificing their lives to rescue revolutionary comrades, young men and women sharing their lives with disabled servicemen, and people looking after orphans or the aged who have no kith or kin as if they were their own relatives.

Among the cases reported recently are Comrade Kang Chang-uk, secretary of the Tongdaewon District party committee, and his family taking care of orphans as their own family members, and the medical workers of the Sukchon County People's Hospital who put all their hearts into the treatment and recovery of a serviceman who had suffered a near-fatal injury while performing a military duty and made it possible for him to return to his military duty. These reports have deeply moved our entire society.

Our society today has become a big, harmonious family, with its harmony and solidarity having reached levels unparalleled in history. This we owe entirely to the fact that we have the great helmsman with us.

Generally, whether harmony and solidarity reign in society or antagonism, jealousy, confrontation, and mistrust prevail largely depends on the system of that society. In exploiting society or capitalist society based on individualism, people are pitted against one another in their interests and, consequently, solidarity and harmony among them are just unthinkable. Only under a socialist system based on collectivism can class confrontations be liquidated, and antagonism and mistrust be replaced with love and trust as the relationship among people. This does not mean to say, however, that once a socialist system is put in place, it will automatically change the relationship among people into a comradely one and the whole society into a big harmonious family.

In socialist society, its harmony and solidarity are realized by the benevolence of the helmsman. As a good father usually brings harmony to his family, the whole society can be a big, harmonious family of love and trust when it has a great helmsman as its father.

The great helmsman Comrade Kim Chong-il, inheriting and developing the tradition of benevolent government founded by the fatherly leader, established the relationship of total harmony, the genuine human relations, based on comradely love and a revolutionary sense of duty between the helmsman and the people, and among members of society, thereby changing our society into a big, harmonious family.

It is the philosophy of the great helmsman Comrade Kim Chong-il about revolution and politics that a revolution realizing the independent stand and attitude of man is precisely the greatest love that brings man to his perfection, and that those unable to love man cannot make a revolution. With this rock-firm faith, the great Comrade Kim Chong-il unfurled a new history building our party into a motherly party, ensuring that party building and party activities are thoroughly in consistency with the principle of devoted service for the people. The great helmsman Comrade Kim Chong-il is always sagaciously guiding our party to give the same loving care for the political lives of people as the mother does for the lives of her children. The warm love of the great helmsman Comrade Kim Chong-il — who leads the peoples' hearts and souls, bearing the whole responsibility for their destiny — pervades over the complex masses of all strata, not to mention workers, farmers, and intellectuals. When he bestows benefits on people, the great helmsman Comrade Kim Chong-il each time sees to it that they reach every family and every individual in the country on an equal basis. In our society, there is not a family nor an individual ever left out of the trust and love of the great Comrade Kim Chong-il. All respect infinitely the great helmsman Comrade Kim Chong-il as their benevolent father; they follow him, entrusting him with their destiny and future and even that of their posterity. The respected and beloved Commander-in-Chief Kim Chong-il has elevated the helmsman-people relationship to that between the political guardian and warriors, and to that between the real father and his children, transcending the relationship of the leading and the led. Therein lies the greatness of benevolence he has in himself and the vitality of benevolent government itself.

In our society, the great helmsman governs with benevolence, loving the people infinitely; consequently, the people live in harmony, trusting and loving one another.

The great helmsman Comrade Kim Chong-il highly appreciates even the smallest buds of good deeds of helping and leading one another among the people; he gives prominence to such deeds positively. In particular, the great helmsman Comrade Kim Chong-il personally guides our functionaries to be models in promoting harmony and solidarity in society as faithful servants of the people, saying that his happiest time is when he receives reports about specific cadres being loved and respected by people. In our society, thanks to the profound solicitude and care of the great helmsman Kim Chong-il, the admirable deeds of people cooperating with one another in a comradely manner and of living in harmony are blooming in full blossom and our big family is increasing its solidity.

Our society as a big, harmonious family is precisely the home of true life and the cradle of happiness which the great helmsman Kim Chong-il—who is endowed with the noble character of loving the people infinitely—has provided for us. Our people will make our big, harmonious family bloom in even fuller blossom, highly upholding the great helmsman Comrade Kim Chong-il as their real father forever.

Kim Chong-il Thanks Working People, Servicemen

SK1405085695 Pyongyang KCNA in English 0802 GMT 14 May 95

[FBIS Transcribed Text] Pyongyang, May 14 (KCNA) -- The great leader Comrade Kim Chong-il sent thanks to servicemen of the Han Myong-sok unit of the Korean border garrison, servicemen of the Kwon Hak-su unit of the Korean People's Army [KPA] and officials, servicemen, employees and their families of the Chang Ho-wol unit of the KPA who fully displayed the traditional trait of my-people unity.

Comrade Kim Chong-il also sent thanks to So Chong-ae in Changyon township, Changyon County, teachers and pupils of the Changyon Senior Middle School, the Institute of Scientific Experimental Instruments of the Hamhung branch of the National Academy of Sciences, and O Chong-kyu in Yongsong-tong No.1, Yongsong District, Pyongyang, who did good things for society and the collective.

South Korea

North Agrees to 19 May Talks in Kuala Lumpur

SK1505034495 Seoul KBS-1 Radio Network in Korean 0310 GMT 15 May 95

[FBIS Translated Text] On 15 May, a diplomatic source in Seoul stated that, in a reply letter to the United States signed by Kang Sok-chu and dated 14 May, North Korea reportedly agreed to a U.S. proposal to hold the political negotiations to resolve the light-water reactor issue in Kuala Lumpur, Malaysia, on 19 May.

The source stated the political negotiations are likely to be held between Thomas Hubbard, deputy assistant secretary of state for Asian and Pacific affairs, and Vice Foreign Minister Kim Kye-kwan of North Korea. The negotiations will be held for seven days beginning 19 May. The source added that the negotiations will be held in turn in mutual embassies in Kuala Lumpur. The two sides will have a preliminary contact on 19 May and will enter into full sessions from 20 May.

Gallucci: DPRK Talks Not To Be in Beijing

SK1305023895 Seoul KBS-1 Radio Network in Korean 0200 GMT 13 May 95

[Report by Washington-based correspondent Yi Chong-su]

[FBIS Translated Text] Yesterday Gallucci, nuclear ambassador for the U.S. State Department, sent a letter of reply to Kang Sok- chu, first deputy foreign minister of North Korea, conveying the U.S. position regarding the so-called semi-high-level talks North Korea proposed.

It was learned the United States showed a positive reaction to the North Korean proposal for semi-high-level talks, but suggested the talks be held around the end of next week in a third country, not in Beijing as North Korea proposed.

In this connection, a State Department official said the United States conveyed its position to North Korea yesterday afternoon, but he could not disclose the specific contents of the letter.

North Wants U.S. Pact Included in Reactor Talks

SK1505041495 Seoul HANGUK ILBO in Korean 15 May 95 p 2

[FBIS Translated Text] It was learned on 14 May that North Korea, in an 11 May letter to the United States suggesting semi- high-level talks, demanded that the issue of signing a peace agreement between North Korea and the United States be placed on the agenda, thus further delaying bilateral agreement for the resumption of talks.

According to a diplomatic source in Seoul, North Korea called for the inclusion of this issue at the talks, stating that conclusion of a peace agreement is relevant to promoting comprehensive relations between North Korea and the United States.

Along with this, North Korea failed to clarify its position on selecting a third place as the venue for the talks, even though it withdrew from its previous stance on holding the talks in Pyongyang, and did not definitely name Vice Foreign Minister Kim Kye-kwan as a chief delegate. Accordingly, it is not clear whether Beijing will be selected as the venue for the talks, and chances are good that another person will be chosen as the chief delegate.

U.S.-North Talks To Be Limited to Reactor Issue

SK1305104195 Seoul YONHAP in English 1032 GMT 13 May 95

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — South Korea and the United States plan to limit debate at the projected U.S.-North Korea meeting in Beijing only to the issue of light-water reactors to be furnished to North Korea under the Geneva framework agreement.

"Our two countries have worked out a strategy featuring the restriction of the Beijing meeting's agenda topics to the reactor project only," a Seoul government official said Saturday.

The meeting between Thomas Hubbard, U.S. deputy assistant secretary of state, and North Korean Vice Foreign Minister Kim Kye-kwan is expected to take place in Beijing toward next weekend.

He said South Korea and the United States accepted Pyongyang's proposal for a "semi-high-level" meeting in a policy to find a way out of the deadlocked reactor issue at working-level talks and also to sound out North Korea's true intent.

The official added, however, that the two countries' policy is to work out a final resolution to the reactor issue at a higher-level meeting between U.S. nuclear ambassador Robert Gallucci and North Korea's First Vice Foreign Minister Kang Sok-chu.

He said that if North Korea proves itself sincere at the Beijing meeting, U.S. negotiators will try to persuade the North Koreans based on a strategy mapped out by the three major KEDO (Korean Peninsula Energy Development Organization) countries — South Korea, United States and Japan.

"On the other hand, if North Korea tries to drag on talks by launching, for instance, political tirades, the U.S. delegates will inform them of likely rigid sanctions against them," the official said.

USFK: No Heightened Tension on Peninsula

SK1405083595 Seoul MAEIL KYONGJE SINMUN in Korean 14 May 95 p 2

[FBIS Translated Text] The U.S. Forces Korea [USFK] on 13 May said that despite the heated inter-Korean exchange of criticism of violations of the Armistice Agreement along the truce line, there has been no evidence of heightened tension observed on the Korean peninsula.

According to the STARS AND STRIPES, (Jim Coles), spokesman for the USFK, commenting on the 11 May foreign press report on the exchange of criticism between Seoul and Pyongyang authorities as "evidence of heightening tension on the Korean peninsula," said: "There has been no change in the military situation on the Korean peninsula."

Unnamed American Begins 'Meaningful' DPRK Visit

SK1405103095 Seoul KBS-1 Radio Network in Korean 1005 GMT 14 May 95

[YONHAP from Washington]

[FBIS Translated Text] An American who had given substantial advice to the White House with regard to North Korean policy while visiting North Korea on 10-odd occasions, left for Pyongyang yesterday very secretly.

U.S. officials in charge of the Korean peninsula affairs have said that this American left for Pyongyang yesterday, Washington time, on a meaningful mission, even though he left on a religious mission.

Trade Official Views Korean-U.S. Automobile Ties

SK1405032595 Seoul THE KOREA TIMES in English 14 May 95 p 8

[FBIS Transcribed Text] Korea-U.S. relations in the automobile sector will not see the same crisis as that taking place between the United States and Japan in their trade war over cars as the United States has positively assessed Korea's action on its import barriers, the Trade, Industry and Energy Ministry [MOTIE] said.

A ministry official said that the Korean government reduced tariffs from 10 to eight percent and acquisition tax for cars over 70 million won from 15 to 2 percent in June last year.

Due to the tax cuts, sales of foreign cars, including U.S. automobiles, have sharply increased this year, said Yi Kon-u, director general the ministry's automobile affairs bureau.

During the first four months of the year, foreign car sales shot up 180.5 percent over the year before to 2,039. U.S. vehicles sold here during the cited period also increased 97 percent to 788, accounting for 38 percent of the total, according to the ministry.

It is highly probable, however, that U.S. automakers will continue to pay keen interest in the Korean market opening using the results of Washington-Tokyo auto talks, ministry officials said.

The ministry also analyzed that Korea recorded a $1 billion trade deficit with the United States, not a huge trade surplus like the $65.7 billion one enjoyed by Japan with the United States.

In the automobile division, although Korea recorded a surplus with the United States, Korea's market share in the United States is meager, barely reaching 1.27 percent last year, the ministry said. Japanese automakers occupied 10.5 percent of the total U.S. auto market last year, the ministry said, adding that when local production is counted Japan's share amounted to 23.3 percent.

In the auto parts division which is one of the ignition points, Korea and the United States have nearly balanced parts trade. Korea exported $278 million worth of auto parts to the United States and imported $305 million worth last year.

But Japan recorded a $6.5 billion trade surplus in auto parts with the United States, exporting $7.2 billion worth and importing $700 million worth.

USFK Bases Said Polluting Farming Water

SK1505043295 Seoul KYONGHYANG SINMUN in Korean 15 May 95 p 23

[By local reporters Kwon Sun-ok, Pak Song-hyon, and Choe Sul-ki]

[FBIS Translated Text] Camps of the U.S Forces Korea [USFK] are indiscriminately dumping sewage that exceeds the basic biological oxygen demand [BOD] standards. However, ROK administration authorities sit by idly, claiming they have no legal grounds to crack down on such practices. As a result, the rivers, seas, and croplands located in the vicinity of USFK camps are being severely polluted.

The farmers of the Pyongtaek Plain near the K-55 Camp in Songtan, Kyonggi Province contend that in recent days the U.S. camp has been dumping about 5,000 tonnes of sewage daily into Lake Asan, a man-made fresh-water lake, via the Chinwi Stream without first purifying such sewage.

The farmers have petitioned the authorities concerned to take countermeasures, claiming the sewage from the camp is polluting Lake Asan and is therefore damaging various kinds of farming.

In this connection, as a result of a study of the magnitude of the pollution coming from the sewage of the above-mentioned U.S. camp, the Kyonggi Provincial Government confirmed that the Chinwi Stream has been seriously polluted to the extent its water cannot be used for farming, discovering that the BOD level in the stream is 100 ppm [parts per million], 12 times higher than 8 ppm level acceptable for farming.

The Public Health and Environment Research Institute in North Cholla Province has also conducted a study of the sewage coming from the U.S. Air Force base in Kunsan, North Cholla Province, which dumps 4,000 tonnes of sewage into the sea off Kunsan daily. It has discovered that the BOD in that water is 280 ppm and its chemical oxygen demand [COD] is 300 ppm, which is about 2 times higher than the ROK's permissible level of 150 ppm.

The USFK's Camp Carol in Woegwan-up, Chilgok County, North Kyongsang Province, located about 2 km from the Naktong River, is equipped with two sewage treatment facilities inside the camp. However, their capacity is small and dilapidated. Thus, the camp daily dumps several hundred tonnes of unpurified sewage into the Tongjong Stream, a tributary of the Naktong River, thereby polluting the water for farming in that area. As a result, this has damaged the farming of the residents in Woegwan 8 and 9 ri's for several years. In particular, the pollution around the U.S. camps is more serious than any at other places because there are many facilities, including hospitals, aircraft maintenance garages, photograph processing laboratories, car wash garages, and golf links inside most of the U.S. camps which are spewing harmful pollutants.

With regard to the serious dumping of such pollutants by the U.S. camps, local autonomous organizations have asked U.S. camps on several occasions to install sewage treatment facilities inside their camps. This notwithstanding, U.S. military authorities have ignored such requests, stating: "We will not be stationed in the ROK forever, so there is no need to spend huge amounts of money installing such treatment facilities."

According to local autonomous organizations, because the ROK's domestic law is not applied to U.S. camps in accordance with the SOFA [Status of Forces Agreement], which was concluded in 1966 with regard to the locations of the USFK's camps, there is no way to punish or crack down on U.S. camps for dumping polluted sewage. The residents in the affected areas as well as environmental organizations maintain that the central government, rather than local autonomous organizations, should hold direct negotiations with the USFK side to resolve this issue.

DPRK Incursions Over MDL 12 May Reported

SK1305140195 Seoul KBS-1 Television Network in Korean 1201 GMT 13 May 95

[FBIS Translated Text] In the last two months, the North Korean Army has crossed over the Military Demarcation Line [MDL] as many as three times, while strengthening reconnaissance activities in the DMZ. This is certainly a violation of the Armistice Agreement. Our Army is watching it carefully. The North Korean

Army's moves similar to this were captured by KBS cameras yesterday. Reporter Kim Man-sok has more.

[Begin recording] [Kim Man-sok] This is the northern area of Chorwon in the DMZ. A KBS camera filmed the acts of 27 North Korean soldiers who entered the DMZ at around 1030 [0130 GMT] on 12 May. They are carrying out some activities in groups of two or three. It can be seen that they are making a path, removing reeds. We can see a North Korean soldier approaching the MDL, far from the North Korean side's iron fence. This is an MDL signpost no one is allowed to cross. The North Korean Army, however, crossed over the MDL on 19 and 23 April and 9 May. The military authorities analyze that this is aimed at obliterating the Armistice Agreement.

At around 1200 [0300 GMT], the 27 North Korean soldiers returned to the North side through a small gate on the hill after finishing their work. A southward broadcast followed.

I can clearly hear the North Korean broadcast toward the South from this place, where the underground tunnel No. 2 for southward invasion was found in the early seventies runs, and where three armed North Korean spies were killed in 1992.

Besides, the North Korean Army has carried out reconnaissance activities in the form of an armed demonstration over 40 times in the entire 155 mile-wide territory of the DMZ since April.

[ROK Army officer Kim Chin-sik] Lately, the North Korean Army has strengthened its abnormal reconnaissance activities around the MDL. Accordingly, our Army is completely on the alert and is ready to cope with any provocation from the enemy. [end recording]

North's Food Situation Reportedly 'Acute'

SK1505103995 Seoul YONHAP in English
1030 GMT 15 May 95

[FBIS Transcribed Text] Beijing, May 15 (YONHAP) — The food situation of North Korea has turned so acute that Pyongyang often asks for corn and broken rice nowadays in return for their steel and zinc ingots.

A business source here said Monday there has been an increasing number of cases in which North Korea likes to have cheap food grains instead of hard currencies as prices of the zinc ingots and steel they export to some Southeast Asian countries.

Besides, he said, North Korean dealers active in Beijing and elsewhere in China contact even small dealers from South Korea if they can settle with grains the zinc and other mineral goods North Korea may sell to them.

Similar offers have been advanced to some Japanese traders as well, the source added.

Other sources well versed with North Korean affairs said North Korea's food situation has turned from bad to worse lately.

"In some northern areas like North Hamgyong Province, food ration has been suspended for as long as eight months, and two months' suspension of food ration is no rarity in most other areas," one of the sources said.

Paper Views North's Recent Closed-Door Policy

SK1505054495 Seoul KYONGHYANG SINMUN
in Korean 15 May 95 p 6

[By reporter Kang Song-po]

[FBIS Translated Text] It seems North Korea is going to close its doors again. According to a Tokyo-dispatched foreign press report on 13 May, the General Association of Korean Residents in Japan [Chochongnyon] has suspended the issuance of visas to North Korea since early last week. It was also learned the North Korean consulates in Bangkok, Singapore, and other Southeast Asian countries have recently suspended the issuance of visas to North Korea.

The planned visit to North Korea by a delegation of U.S. business groups, originally scheduled for 6 May, has been abruptly canceled.

According to the delegation, North Korea abruptly asked the group to postpone its planned visit for an indefinite period just prior to its departure for North Korea.

Such an abrupt change in the attitude by North Korea, which invited as many as 10,000 foreigners during the Pyongyang International Sports and Cultural Festival, has brought about various assessments.

What can be considered first is internal political developments in North Korea. There is a possibility that the voice of the hardline faction is intensifying in the North Korean power structure as an aftermath of the stalemate in negotiations over the light-water reactors and the uncertain prospect of North Korea's efforts to improve relations with the United States. Another assessment is that as Kim Chong-il's accession to power is close at hand, it is necessary to create a new atmosphere for it.

An official at the Board of National Unification stated: "North Korea is attempting to create a new atmosphere for Kim Chong-il's assumption of office as the president of North Korea by sweeping out 'outside winds' blown in during the Pyongyang festival and by again stressing 'our own style of socialism.'"

Some feel North Korea has intentionally taken measures to close its society because of foreign press criticism about North Korean society following the Pyongyang festival.

Such measures against opening up have also been applied to the ROK.

A U.S. businessman who came to the ROK after visiting North Korea recently said the North Korean authorities ordered North Koreans abroad to refrain from contacting ROK businessmen and from issuing them visas to visit North Korea.

A managing director of a domestic business group in charge of business with North Korea recently revealed: "North Korean officials who urged our side to implement the projects contacted North Korea in the past. However, these days they have appeared to assume a very passive attitude in contacting ROK businessmen. Many North Koreans whom ROK businessmen have contacted have returned to North Korea, and because of this ROK businessmen have on many occasions lost their channel to North Korea."

An official at the Board of National Unification predicted: "North Korea's measure to close its doors this time seems to be a step only for a limited period of time because North Korea needs economic aid from the outside world, including from the ROK."

North 'Restraining' South Businessmen's Contacts

SK1305055095 Seoul YONHAP in English 0507 GMT 13 May 95

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — North Korean officials, under order of higher-ups, are restraining themselves from contacting South Korean businessmen and restricting issuing letters inviting them to visit the North, an official of a U.S. firm who has recently been to North Korea said.

The official, who recently visited the Najin-Sonbong Free Economic and Trade Zone for possible infrastructure projects, made the remarks while consulting South Korean firms about the feasibility of promoting joint ventures projects with South Korean companies in the trade zone, business sources said Saturday [13 May].

The American official attributed the North Koreans' self- restraint to the concerns over which agencies should be held accountable for the lack of visible results from their contacts, although a number of South Korean firms sent fact-finding missions to the North.

As another contributing factor of the North's aboutface, he said that most of what South Korean business people announced back home ran contrary to what they promised to do while visiting North Korea.

N-S Panmunjom Religious Rally Not to Be Allowed

SK1505033695 Seoul CHOSON ILBO in Korean 15 May 95 p 2

[Report by Ku Song-sin]

[FBIS Translated Text] It was learned on 14 May that the government has tentatively decided not to allow "the North-South Panmunjom Joint Rally" which is slated to be held by religious groups in mid-August.

An official of the National Unification Board stated: "The board has tentatively decided not to allow the rally should the religious groups request approval for the Panmunjom rally."

On the morning of 16 May, the government will hold a unification-related ministers meeting presided over by Na Ung-pae, vice premier and minister of the National Unification Board, and will finalize the guidelines for North-South social and cultural exchanges.

Government To Approve Model Projects With North

SK1505051695 Seoul HANGYORE SINMUN in Korean 15 May 95 p 1

[Report by Pak Chung-on]

[FBIS Translated Text] It was learned on 14 May that within this week at the earliest, the government will approve cooperation projects with North Korea, including the Daewoo Group's joint-venture investment in the Nampo industrial complex.

In approving current "model projects" between North and South Korea, the government plans to include the construction of a convention center in the Najin-Sonbong trade zone by the Ssangyong Group and a communications project in this area by Samsung, designating them as "licensed cooperation project performers."

It has been learned that the government has already completed working-level consultations among relevant government offices concerning the projects. The government is planning to hold a unification-related ministers conference on 16 May in order to finalize the principle for approving model projects for North Korea and to activate North-South economic cooperation. The conference will be chaired by Unification Vice Prime Minister Na Ung-pae and attended by relevant ministers, including the finance and economy minister and the foreign minister.

It was also learned that, in a bid to support the projects, the Finance and Economy Ministry and other related government offices are working to provide a special foreign currency management law for remitting money to North Korea and transporting the facilities.

Meanwhile, the unification-related ministers meeting on 16 May will announce the government's finalized policy on North-South exchanges in non-political fields, including exchanges of religionists which have recently been increasing. The government is expected to reconfirm its position to allow religionists to visit North Korea with non-political, humanitarian purposes, including Reverend Wolchu, executive chief of the Korea Buddhist Chogye Order, and Cardinal Stephen Kim Suhwan. However, the government is likely to reveal its position to discourage the events to be held in Panmunjom around 15 August, the anniversary of national liberation, pointing to the possibility that North Korea may use these events for political purposes.

Amnesty Group Views North 'Concentration Camps'

SK1305065895 Seoul HANGUK ILBO in Korean 13 May 95 p 2

[FBIS Translated Text] On 12 May, Amnesty International released a report revealing the organization visited concentration camps in North Korea for a week ending 3 May to investigate the human rights situation in North Korea. This was the first official visit to North Korean concentration camps in history.

According to the report, North Korean authorities told Amnesty International there are three concentration camps in North Korea, including one in Sariwon; the number of prisoners is 800 to 1,000, among which about 240 are "antigovernment" criminals imprisoned in the "Hyongsan Concentration Camp" in Pyongyang.

Amnesty International presented a list of political prisoners and prisoners of conscience announced by the organization last year, but North Korean Public Security Ministry officials denied these people were ever imprisoned and said the information was too uncertain to locate them.

However, for the first time North Korea admitted that Cho Ho- pyong, who was repatriated from Japan, and Kojo Shibata [name as transliterated] were imprisoned on charges of espionage. North Korean authorities asserted the two and their families all died in "accidents."

More on Amnesty International Visit

SK1305112595 Seoul YONHAP in English 1040 GMT 13 May 95

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — An Amnesty International (AI) delegation has recently made a working visit to North Korea at the invitation of Pyongyang's Institute for the Research of Human Rights, the Amnesty International reported Saturday.

The report said that while its week-long stay in North Korea beginning April 26, the AI delegation visited a "Rehabilitation Center (prison)" near Sariwon and conferred with a number of senior North Korean officials.

It disclosed that more than 200 political prisoners are held at a camp in the outlying area of Pyongyang and that some repatriates from Japan to North Korea were shot dead during their escape attempts.

The gist of the report follows:

AI was told that the Sariwon center currently holds about 230 inmates and is one of the three such centers in the country, holding a total of 800 to 1,000 inmates. They include some 240 people held for "anti-state" activities, who are held in the Hyongsan Re-education Center in Pyongyang.

AI was given new information on individual cases of reported prisoners of conscience and political prisoners. A ministry of public security official told the delegation that many of the reported prisoners had never been detained, adding that the information provided by AI in other cases had not been sufficient to identify the relevant individuals and investigate their whereabouts.

Among the cases raised by AI were those of Shibata Kozo and Chon Ho-pyong, two men who left Japan for North Korea with their families in the 1960s and had been reportedly detained, possibly as prisoners of conscience.

The public security official confirmed information given earlier to Amnesty International that Shibata Kozo had died together with all his relatives in a train accident in March 1990, a few weeks after his release from 26 years' imprisonment for espionage.

He said that Cho Ho-pyong was imprisoned in 1967 for espionage but was killed in October 1974 together with his wife and three children while they were trying to leave North Korea using a military boat he had taken control of after killing a soldier.

The AI delegation learned of several amendments to the criminal law and criminal procedure law which were recently introduced to bring legislative provisions in line with international human rights standard.

The delegates were told, for example, that the minimum age for imposition of the death penalty was raised from 17 to 18 years and that articles on acts punishable as "crimes against the state" had been amended to restrict the scope of such acts.

Company To Export 5,000 Tons of Sugar to North

SK1405080395 Seoul CHOSON ILBO in Korean 14 May 95 p 2

[By Hong Kong-based reporter Kim Song-yong]

[FBIS Translated Text] On 4 May, Cheil Sugar Manufacturing Company signed a contract with a North Korean trading firm to export 5,000 tons of sugar (valued at $2,315,000) to North Korea for shipment sometime in June. This was said by Director Kim In-su, representative of Cheil Sugar's Hong Kong office, on 13 May

Cheil Sugar's export of sugar to North Korea is the largest single item export contract signed by an ROK firm in two years, and it is expected to provide a breakthrough in the inter-Korean trade that has been stalemated since March, when North Korea's Kim Chong-il banned ROK businessmen's visit to the North.

Director Kim In-su said that Cheil Sugar will ship the 5,000 tons of sugar at Inchon port in June aboard Samsung Shipping Company's freighter Concord to unload it at Hungnam port, North Korea. The terms of the export transaction is $463 per tonne free on board (FOB).

Director Kim said that North Korea has already paid $231,500, which is 10 percent of the price for the sugar, and North Korea has already established an irrevocable letter of credit dated 12 May for $2,083,500 for the remaining 90 percent of the sugar. The letter of credit was signed with the Sumitomo Bank of Japan and with ROK's Korea First Bank Hong Kong branch as an advising bank.

South Firm Ships Wheat Flour to North Korea

SK1305084595 Seoul KBS-1 Radio Network in Korean 0400 GMT 13 May 95

[FBIS Translated Text] ROK wheat flour for export to North Korea was loaded on board the Qingtai, a 1,700 ton-class Chinese-flag freighter, at Dock No. 1, Inchon Port.

The wheat flour shipped today consisted of some 30,000 bags weighing 750 tonnes, the first lot of the 4,423 tonnes of wheat flour to be exported to North Korea in a barter trade for 1,000 tonnes of North Korean zinc ingot. This transaction was arranged with North Korea in April by Cornex [as transliterated] Trading, whose main business is inter-Korean trade with its main office in Seoul.

The wheat flour was packaged in white bags without any markings of the country of origin or the name of the company that produced it. The Qingtai is expected to sail for the North Korean Wonsan port late this afternoon.

Kim Chong-il Stresses Light Industry, Agriculture

SK1405032395 Seoul THE KOREA TIMES in English 14 May 95 p 2

[FBIS Transcribed Text] North Korean de facto leader Kim Chong-il, in contrast to his late father Kim Il-song's heavy industry-oriented economic policy, strengthened instructions for the development of the nation's light industries and agriculture, according to a government analyst.

Hong Song-kuk, a researcher at the National Unification Board [NUB], said in a contribution to the monthly journal REUNIFIED KOREAN ECONOMY that Kim stressed balanced development between heavy and light industries which will help improve the quality of life for North Koreans.

Hong made the report on the basis of Kim's speeches, thesis, and instructions since the early 1960's when Kim was a student at Kim Il-song University.

However, Hong ruled out the possibility that North Korea will move fully into economic reforms and openness under the relatively young leader because drastic economic reforms will be hazardous to the stability of his regime.

"Kim's economic policy is not aimed at introducing fundamental reforms to rectify the shortcomings of the current economic system. Instead, he is only seeking to introduce new management styles based on the existing economic structure," Hong said.

He quoted Kim as saying in a recent speech that advancements in light industries and agriculture will lead to the development of heavy industries, in contrast to his father who thought that light industries will automatically develop if heavy industries are fully advanced.

Kim revealed his point of view by saying that "self-reliance doesn't mean accepting nothing from others," Hong said.

Kim, regarded as "talented" in arts and culture, is also trying to introduce artistic factors in city engineering, he said, adding that Kim was deeply involved in the beautification of Sinuiju city.

The new North Korea leader also showed his interests in the improvement of transportation and distribution of products, he said.

"The production of a large quantity of consumer goods is of no use to the public if they are not properly supplied," Kim was quoted as saying.

By mentioning problems related to distribution, Kim apparently aims to drive out irregularities by government officials and black market dealings, rampant in North Korea, the researcher said.

Kim also appears to have much more interest than his father on the living standards of North Koreans, especially on the dire food shortage facing them.

The researcher said that North Korea is likely to put its foreign policy priorities on ensuring a stable supply of food and energy sources from China, which is the largest donor to North Korea. It will also try to improve relations with Southeast Asian countries like Thailand and Vietnam with the aim of importing grain and other food products.

Pyongyang will also try to maintain close economic relations with Russia in the field of logging, construction and agriculture, he said.

The researcher said that full-fledged economic reform policies would be introduced if Kim's rule stabilizes in the future.

Russia Deleting Armed Intervention From Pact

SK1505031895 Seoul TONG-A ILBO in Korean
15 May 95 p 1

[FBIS Translated Text] It was learned on 14 May that the Russian Government will officially inform North Korea of its decision to delete "the provision on automatic military intervention" in the DPRK-Russia Friendship and Alliance Treaty, which defined Russia's military alliance with North Korea. The article to be deleted stipulates: "In the event war breaks out on the Korean peninsula, Russia will automatically intervene and militarily support North Korea."

It was revealed that Russian Defense Minister Pavel Grachev will convey Russia's decision to the ROK Government during his visit to the ROK this weekend.

North Korea signed the "DPRK-Soviet Union Friendship and Alliance Treaty" with the former Soviet Union in September 1961. With the collapse of the Soviet Union, Russia declared it will take over the treaties signed by the former Soviet Union on external relations, and as a result, the treaty became the DPRK-Russia Friendship and Alliance Treaty.

This treaty is to be revised every five years. In the event one side wants to revise the treaty by deleting or adding from its content, that side is supposed to notify the other side of its intention one year in advance. Thus, Russia will officially notify North Korea in September in compliance with such provision.

When Russian President Yeltsin visited the ROK in November 1992, he stated the provision on automatic military intervention in the treaty "became a mere scrap of paper." However, Russia has not revealed its official position up to now as to whether it will delete this provision.

President of Kazakhstan Begins Visit

SK1505085095 Seoul YONHAP in English
0841 GMT 15 May 95

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — Nursultan Abishevich Nazarbayev, president of Kazakhstan, arrived Monday afternoon in Seoul at the invitation of South Korean President Kim Yong-sam.

During his four-day stay, President Nazarbayev will hold summit talks with President Kim Yong-sam on Tuesday morning to discuss international situations including Korean issues and pending problems between the two nations.

At the talks, President Kim may ask for active cooperation of Kazakhstan regarding South Korean businesses' participation in Kazakhstan's economic development, presidential secretaries said.

He will also ask that Kazakhstan's president cooperate in the repatriation of the remains of Gen. Hong Pom-to, a commander of Korean independence fighters during Japanese colonial rule, which are presently buried in Kazakhstan.

Meanwhile, South Korean Foreign Minister Kong No-myong will sign an agreement on science and technology cooperation and a cultural agreement with Kazakhstan's Foreign Minister Qasymzhomart Toqayev Tuesday afternoon.

President Nazarbayev is the first president of Kazakhstan to visit South Korea since the two countries formed diplomatic relations in 1992.

Premier's PRC Visit Mirrors Closer Ties

SK1405143995 Seoul TONG-A ILBO in Korean
14 May 95 p 3

[Editorial: "ROK-China Relations Have Become Closer"]

[FBIS Translated Text] Closer relations between the ROK and China have been developing at a time when the breathtaking tug of war has continued with regard to the North Korean nuclear problem. This is proven by the fact that the two countries, taking as an opportunity the visit to China by Prime Minister Yi Hong-ku, which is the first ever by an ROK prime minister, made progress in political, diplomatic, economic, and military relations between their two countries.

Economic relations between the ROK and China are now developing from mere trade relations to relations of industrial cooperation involving capital and technology. Moreover, indications have been emerging that China's Korean peninsula policy is undergoing change from the policy of separating economics from politics, under which it promoted economic cooperation with the ROK while maintaining friendly political relations with North Korea. The ROK and China have been drastically developing political relations as well.

During their talks, Prime Minister Yi and Chinese Premier Li Peng agreed that the armistice mechanism on the Korean peninsula must be maintained. They also reconfirmed the principle that the North Korean nuclear problem and other pending problems on the Korean peninsula must be solved through dialogue between the parties directly concerned. What is noteworthy is the agreement on military exchanges. The two countries agreed to promote military exchanges in earnest. For instance, China agreed to send high-ranking military officials to the ROK when Chinese President Jiang Zemin visits the ROK in November.

The two prime ministers agreed in principle that the ROK would open a consulate general in Shenyang, one of the most important pending issues. An ROK consulate general in Shenyang, when opened, would help solve inconveniences of Korean compatriots living in Northeastern China. Considering the fact that the ROK had failed to open a consulate general in Shenyang because of North Korea's strong objection, this will significantly affect triangular relations between the ROK, China, and North Korea.

In particular, they reached a substantial agreement on economic affairs: They agreed to establish, at the earliest possible date, an industrial cooperation committee to promote cooperation in four areas — automobiles, aviation, communications, and high-definition television. They also agreed to make joint efforts to prevent the pollution of the Yellow Sea and develop maritime resources in the Yellow Sea. What is momentous is the agreement to establish a joint atomic energy committee to promote cooperation in the atomic energy field. When this committee is established, the two countries will be able to jointly research and develop nuclear technology, develop nuclear reactors, and advance into the Southeast Asian nuclear energy market.

In an interview with domestic reporters in Beijing, Prime Minister Yi said: "The ROK and China are now at the point of entering into special relations in the political, economic, cultural, and all other fields." In this way, he pointed out that ROK-China relations have become closer. What is important is that they must implement these agreements to further promote the prosperity and development of the two countries, and security and peace on the Korean peninsula.

Yi Hong-ku on BESETO Economic Cooperation

SK1305034095 Seoul YONHAP in English 0245 GMT 13 May 95

[FBIS Transcribed Text] Beijing, China, May 13 (YONHAP)— Prime Minister Yi Hong-ku predicts the emergence of a powerful economic cooperation structure linking Seoul, Beijing, and Tokyo (BESETO), after Korea is reunified.

The South Korean Prime Minister, in his keynote speech delivered at an Asia Society general conference in Beijing Saturday [13 May], predicted the coming of the cooperation structure while calling for a strengthening of the mutual economic dependence between (a unified) Korea and China that will play a dominant role in shaping an economic rim that will lead the 21st century.

His speech was entitled "China and Its Neighbors." The South Korean prime minister continued that the BESETO structure linking Beijing, Seoul, and Tokyo, the new powerful economic bloc, will play a crucial role in turning the 21st century into an Asia-Pacific century.

In the Asia-Pacific region, "Ideological differences among the nations no longer present an obstacle in establishing reciprocity in trade and investment, which enabled South Korea and China to become partners for prosperity," he said.

Yi, wrapped up his itinerary in Beijing after a speech he gave to the Asia Society, after which he left for Xian on a special plane provided by the Chinese Government. He is expected to tour historic sites dating back to the Chin and Tang Dynasties while there.

He arrived in Beijing May 9, and will return home Monday.

Editorial Views U.S.-Japan Trade Dispute

SK1305092895 Seoul SEOUL SINMUN in Korean 13 May 95 p 3

[Editorial: "Lesson the U.S.-Japanese Trade Friction Gives"]

[FBIS Translated Text] The trade dispute between the United States and Japan over their automobile negotiations is serious. It has occurred less than three months since the U.S.-PRC dispute over intellectual property rights was settled with some difficulty, thereby once again keying up the nerves of the world.

As soon as its negotiations with Japan over automobiles came to a breakdown, the United States declared that it would impose trade sanctions against Japan in accordance with Clause 301 of its trade law. In response to the U.S. decision to file a complaint against Japan with the World Trade Organization [WTO], Japan is countering this by filing its own complaint. The international economy as a whole will be greatly affected if the U.S.-Japanese trade dispute is prolonged. Therefore, countries throughout the world are watching this development with interest

The ROK is somewhat more interested in the U.S.-Japanese trade dispute because our country has once already seen the United States file a complaint with the WTO against our country's expiration date of meat products. It has also filed a complaint against the customs inspection and quarantine inspections of imported agricultural products. It is also noteworthy to view future developments of such a trade dispute, because the U.S. trade policy is not targeted at the PRC and Japan alone — the countries now enjoying surpluses in their respective trade with the United States — but at all of Asia, including the ROK.

It is noteworthy that Japan is now showing quite a different attitude from the one it showed in the past in its trade dispute with the United States. In the latest negotiations, Japan dealt with its negotiations by consistently developing its own logic to cope with its trade issues, while not making concessions to the U.S. call for market opening. While stressing that the U.S. call for market opening is equivalent to a government-controlled trade which is not in the category of free trade, Japan has also been winning a considerable amount of sympathy from the U.S. media and business circles.

Japan is concentrating its efforts on making known the "unjustness" of the U.S. pressure on Japan's market opening by dispatching trade-related government officials and business representatives to international organizations, such as the European Union. This means that, while breaking away from its past trade diplomacy, which so far has been aimed at U.S. markets to a large extent, Japan is now adopting an omnidirectional trade diplomacy aimed at the WTO. Looking at the trade friction between the United States and Japan, we are now thinking of how to work out our own trade strategy.

Our country, too, should now adopt a trade policy using the WTO, a multilateral channel of negotiations, by breaking away from the past practice of depending upon our bilateral negotiations with the United States. To this end, our government and business circles should actively cooperate with each other to achieve many innovations in working out our country's policy concerning trade diplomacy by developing the ROK's own logic to cope with relevant trade issues. They should do this by consolidating our diplomatic negotiation channels with trade partners. Now is the time when we need to work out a pan-national strategy for trade diplomacy in which the wisdom and resourcefulness of all citizens as well as of the government and business circles are pooled.

Steel Industry Spending Approaches Japan's Level

OW1205135495 Tokyo KYODO in English 1245 GMT 12 May 95

[FBIS Transcribed Text] Tokyo, May 12 KYODO — South Korean steelmakers will surpass their Japanese counterparts in capital spending in 1995 for the first time, according to a forecast by the International Iron and Steel Institute (IISI).

Japanese steel industry officials familiar with the IISI's survey said Friday [12 May] that Japanese steelmakers are expected to spend a total of 6,200 million dollars on plants and equipment in 1995, down from the previous year's level, while the South Korean industry will double its capital spending to 7,385 million dollars.

The Brussels-based IISI surveyed capital spending planned for 1995 by steel industries in 32 major industrialized nations, the officials said.

In 1994, the United States was the biggest spender, followed by Japan.

As the U.S. industry's capital outlays for 1995 have yet to be confirmed, it is premature to say that South Korea will become the biggest investor this year, the officials said.

South Korean steelmakers are aggressively expanding their production capacities, reacting to booming demand for steel products from domestic construction companies and automakers, the officials added.

Firm: More Harmful Content in Foreign Cigarettes

SK1305013595 Seoul YONHAP in English 0023 GMT 13 May 95

[FBIS Transcribed Text] Puchon, Kyonggi Province, May 13 (YONHAP) — Foreign cigarettes contain up to twice as many substances harmful to the human body, such as tar and nicotine, as domestic brands.

According to the contents comparison table of foreign and domestic cigarettes the Korea Tobacco and Ginseng Corp. sent to Puchon city hall Friday [12 May], the tar content of domestic cigarettes, such as Omar Sharif, This, Hanaro, Hallasan and 88 Light, ranges from 5.5 milligrams to 7.7 milligrams per cigarette against nine milligrams through 17 milligrams found in foreign cigarettes, including Marlboro, Mild Seven, Dunn Hill, Winston and Pall Mall.

The nicotine content ranges from 0.50 milligrams to 0.73 milligrams for domestic cigarettes and from 0.80 milligrams to 1.10 milligrams for imported cigarettes.

And while Hallasan contains 5.5 milligrams of tar and 0.50 milligrams of nicotine, Marlboro has 17 milligrams of tar and 1.1 milligrams of nicotine

In Puchon city, sales of foreign cigarettes accounted for 13.9 percent of domestic cigarette sales at the end of March, up 5.1 percentage points from the end of last year.

Group Rejects EU Allegations of Antidumping Charges

SK1405034495 Seoul THE KOREA HERALD in English 14 May 95 p 8

[FBIS Transcribed Text] Korea Construction Equipment Manufacturers Association (KOCEMA) said yesterday it rejects the allegations of antidumping charges filed by the European Union [EU] on Korean-made hydraulic excavators.

KOCEMA said it deemed the EU's action protectionist, based on Korean products' relatively low European market share and the growing trend of Korean makers' overseas production in Europe.

An investigation is now underway by an EU trade commission to determine the antidumping allegations.

SRV, Indonesian Aid in Telecom Projects

SK1405032895 Seoul THE KOREA HERALD in English 14 May 95 p 8

[FBIS Transcribed Text] Vietnam and Indonesia have promised to help South Korean telecom companies participate in their telecom-network modernization projects, a Ministry of Information and Communications (MID) spokesman said yesterday.

The Vietnamese Government agreed in principle to allow Korea Telecom (KT) to participate in a $40-million telephone-network expansion project in Haiphong and two other local cities.

Indonesia agreed to buy more Korean-made telecom equipment and to help a consortium led by KT and Daewoo Group take part in the country's telecom privatizations projects.

The agreements were made during Vice MIC Minister Yi Kye-chol's visit to the two Southeast Asian countries May 8 to 12.

Official on Plan To Join UN's PKO in Angola

SK1205104595 Seoul YONHAP in English 0557 GMT 12 May 95

[FBIS Transcribed Text] Seoul, May 12 (YONHAP) — South Korea will likely kill its plan to join UN Peace-Keeping Operations (PKO) in Angola by not sending Army engineer troops intended for roads and bridges construction, because the United Nations recently asked for the dispatch of mine clearing engineer troops.

A government official said Friday UN PKO authorities had informed the government that the PKO activities in Angola now need mine clearing engineers and not construction engineers, asking for South Korean Army engineer troops skilled in clearing mine fields.

This is contrary to the government's plan to send Army construction engineers to the African country during next month, he added.

The plan was prepared in conjunction with the United Nations and on the basis of a field survey completed in Angola last month.

The government could not comply with the UN request to dispatch mine clearing engineers to Angola because the Army has no state-of-the-art mine clearing equipment, he said, noting there are some 10 million mines buried in the soil of the African country now.

The United Nations is pressing the government to send mine clearing engineers, saying mine fields can be cleared without advanced equipment, but the people would not allow the government to commit Army engineers to risky mine clearance operations in Africa, he remarked.

President Names New Education, Health Ministers

SK1505080595 Seoul YONHAP in English 0751 GMT 15 May 95

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — President Kim Yong-sam named former Yonsei University President Pak Yong-sik as the new education minister, replacing Kim Suk-hui who he fired for her controversial remarks on the Korean and Vietnamese wars.

In a partial cabinet shakeup he initiated Monday afternoon, Kim also replaced Health and Welfare Minister So Sang-mok with ruling Democratic Liberal Party lawmaker Yi Song-ho.

Presidential spokesman Yun Yo-chun said that President Kim conducted the partial cabinet reshuffle at the recommendation of Prime Minister Yi Hong-ku who returned from his recent trip to China.

The criteria for picking the two cabinet ministers were their honesty and ability, the spokesman explained, noting that former Minister So tendered his resignation as he assumed responsibility for the disputes involving the area of prescription rights between traditional Korean and Western medicines.

President Kim will present letters of appointment Tuesday morning for the two cabinet members at Chongwadae [presidential offices].

Minister Pak, 61, was born in Kimhae, South Kyongsang Province, graduated from Yonsei University's philosophy department and received a doctorate degree in philosophy from Emory University in Atlanta, GA., in the United States. He had been serving as chairman of the Public Officials Ethics Committee before he was named minister.

Born in Namyangju, Kyonggi Province, Minister Yi, 57, graduated from Korea University's College of Law and has been elected to the National Assembly three times. He served as chairman of the National Assembly Construction Committee as a ruling Democratic Liberal Party lawmaker.

Veterans Groups Criticize Remarks by Ex-Minister

SK1305003095 Seoul THE KOREA HERALD in English 13 May 95 p 3

[FBIS Transcribed Text] A Vietnam War veterans association yesterday criticized Education Minister Kim Suk-hui, who was fired yesterday, for her controversial description of the Vietnam War as a mercenary war.

"She insulted all those who shed blood while fighting for the defense of freedom," said the Association of the Wounded in the Korean and Vietnam Wars in a statement.

An association spokesman said that "we just don't understand and are dumb-founded that a cabinet minister of this country should make such an absurd comment before government and military officers in such an open manner."

In a lecture she gave at the National Defense College Wednesday [10 May], Kim reportedly said that the Korean War (1950-53) was a "reckless war" while South Korean troops participated in the Vietnam War as "mercenaries."

Her remarks were immediately refuted during her lecture by National Defense College students, most of whom were field-grade officers or ranking government officials. Kim said she accepted their protest.

Earlier in the day, Kim visited the Korean Veterans Association (KVA) and apologized for her remarks to KVA President Chang Tae-wan.

President Kim Yong-sam dismissed her yesterday following the growing controversy over her remarks.

During the Vietnam War, 4,624 South Korean military personnel, including three Army brigadier generals, were killed. Between September 1964 and April 1973, a total of over 310,000 South Korean Army officers, soldiers and Marines fought side by side with the U.S. and the South Vietnamese forces, according to a Defense Ministry tally.

Kim Dismisses Education Minister Kim Suk-hui

SK1205033095 Seoul KBS-1 Radio Network in Korean 0300 GMT 12 May 95

[FBIS Translated Text] Today, President Kim Yong-sam abruptly dismissed the education minister. Reporter Kim Hong-ki reports from Chongwadae [the presidential offices]:

[Kim] Today, President Kim Yong-sam relieved Education Minister Kim Suk-hui of her post in relation to her remark on the 25 June war. Yun Yo-chun, spokesman for the Chongwadae, revealed that, in relieving her from the post, President Kim Yong-sam said Minister Kim's remark can never be tolerated. She caused a public stir by saying in a special speech at the National Defense College on the afternoon of 10 May, that the 25 June war was a fratricidal war and that participation in the Vietnam war lacked justification since the Korean soldiers participated as hired troops.

President on Academic Individuality, Creativity

SK1505072995 Seoul YONHAP in English
0546 GMT 15 May 95

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — The government plans to announce an "epochmaking" educational reform plan in May.

President Kim Yong-sam, disclosing this, urged teachers Monday [15 May] to "positively participate in educational reform with a sense of mission, recognizing that they are the main body in reforming the nation's education."

The chief executive made the remarks during a luncheon he hosted at the presidential office in Chongwadae recognizing over 180 outstanding teachers from across the country on the occasion of Teachers' Day which falls on Monday.

Stressing that "a country turning out excellent manpower through good education will play a key role in the 21st century," Kim said, "to that end, the framework of our education should be converted into one respecting individuality and creativity."

Jan-Apr Automobile Output Totals Reported

SK1305035195 Seoul YONHAP in English
0240 GMT 13 May 95

[FBIS Transcribed Text] Seoul, May 13 (YONHAP) — South Korea's automobile production in the first four months of the year came to a total of 869,568 units, up 17 percent from a year earlier, according to the International Trade and Industry Ministry Saturday.

The figure breaks down to 631,630 passenger cars (up 18.2 percent on a year-to-year basis), 47,047 jeeps (up 11.4 percent) and 190,891 commercial vehicles (up 14.8 percent).

By company, Hyundai Motors topped the list with 410,275 units (up 15.7 percent), followed by Kia Motors with 251,510 (up 23.3 percent), Daewoo Motors with 140,017 (25.4 percent) and Asia Motors with 24,247 (up 43.7 percent).

But the output of small compact cars fell 42.8 percent, to 14,175 units, owning to consumers avoiding such cars.

The strong yen combined with the improved international reputation of Korean cars to increase the four-month exports 55.7 percent from a year earlier, to 342,469 units.

But the domestic market expanded only 2.7 percent to 504,071 units, owing largely to a slowed increase in demand.

Self-Immolation Attempt Leads to Hyundai Work Boycott

SK1305125895 Seoul YONHAP in English
0826 GMT 13 May 95

[FBIS Transcribed Text] Ulsan, May 13 (YONHAP) — The attempted self-immolation Friday by a dismissed Hyundai Motor worker set off work boycott by thousands of workers at the country's largest motor company here Saturday.

About 1,000 night-shift workers of car plant No. 2 halted their production line around 4:15 AM and went home. Some 1,200 morning- and afternoon-shift workers, too, refused to work.

Yang Pong-su, 28, formerly of car plant No. 2, set himself afire in a protest over the company's refusal to reinstate him. He was sacked a couple of years ago for alleged unlawful union activities.

At car plant No. 1 also, a number of workers walked out of the production line at 6 AM Saturday.

About 1,500 workers staged a rally at the company's administration hall beginning 12 noon to demand that all dismissed workers be reinstated and those responsible for Yang's suicide attempt be punished.

Yi Sang-pom, Hyundai Motor union president, and 11 other union leaders decided to go on an indefinite sit-in at the company gate unless their demand is met.

Yang sprayed thinner upon himself and set fire when he was kept by a company gate guard from entering the company precincts.

He is under treatment at a Taegu hospital for a three-degree burn.

Daewoo To Open Research Institute in France

SK1405033495 Seoul THE KOREA HERALD
in English 14 May 95 p 8

[FBIS Transcribed Text] Daewoo Electronics Co. (DEC) has opened an integrated research institute on telecommunications and electronics products in France.

The Daewoo Electronics Research Center in France, located in Metz Technopole on the outskirts of Paris, will conduct R&D activities in three fields — broadcasting system (digital TV and HD [high definition] TV), high-quality combined routine tester (CRT) and telecom and electronics products, said a DEC spokesman.

"The center plans to hire about 30 doctorate holders, including 20 local scientists, by next year," he said.

The lab will work on future electronics-product models to be produced at DEC's manufacturing plants in France, Britain and Poland, he added.

Plan To License 18 More TV Channels by 1999

SK1505011595 Seoul YONHAP in English 0048 GMT 15 May 95

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — The administration plans to license 18 more television channels by 1999 so that 50 percent of the nation's households may enjoy programs provided by 50 channels.

Information Minister O In-hwan told the CHOSON ILBO daily Sunday [14 May] that to that end his ministry is formulating a "Five-Year Advanced Broadcasting Development Plan."

The plan will be made public before the end of July after hearing views from various walks of life, O said.

Television channels licensed now total 32, comprising five airwave broadcasting companies — KBS 1 and 2, MBC, SBS and EBS (education) — and 27 cable TV channels.

Accordingly, 12 satellite broadcasting channels and no less than six cable TV or satellite broadcasting channels using the envisioned second satellite will have been licensed by the year 1999.

Brunei, Malaysia & Singapore

Malaysia

West Criticized for Prejudice Against Muslims

BK1405091095 Kuala Lumpur THE STAR in English 13 May 95 p 2

[FBIS Transcribed Text] Alor Setar — Prime Minister Datuk Sri Dr. Mahathir Mohamed yesterday slammed certain Western countries for continuing to link up violence with Muslims.

He said this tendency among Western leaders had become increasingly obvious as they would accuse Islamic countries of violence irrespective of where it occurred.

"It is now clear that they are prejudiced against Muslims to the extent that when their own people are responsible for violence they immediately point the finger at Muslims," he said.

Dr. Mahathir said Malaysia had always been against all forms of violence regardless of who the perpetrators were.

"We definitely disapprove of violence and have frequently condemned it. The habit of linking violence with Muslims is out of place," he said.

Editorial: 'Oppressive' U.S. Muslim Policy

BK1505101995 Kuala Lumpur UTUSAN MALAYSIA in Malay 15 May 95 p 6

[Editorial: "The principle of peaceful coexistence"]

[FBIS Translated Text] The United States strongly believes that any act of terrorism is perpetrated by Muslim groups and tries to disseminate news of violence throughout the world so as to justify its more violent responses against such acts. Its actions are aimed at controlling the world.

The Bill Clinton Administration is busy looking for those people with Middle Eastern features as scapegoats for any act of violence, including the bombing in Oklahoma City which has claimed innocent lives. The directive which looks for those with Middle Eastern features has, of course, affected Islamic associations in the United States.

The Oklahoma City bombing, however, showed that it was carried out by American citizens themselves, despite the sophisticated equipment owned by the security and intelligence agencies.

This means that the enemy of the U.S. Administration is not Muslim groups, but their own people, who have begun to oppose their own government's policy, which seeks the role of international policeman, while ignoring their socioeconomic problems.

The United States should learn a lesson from its past involvement in Vietnam in the same manner as the former Soviet Union learned from its involvement in Afghanistan. The two big powers, however, continue to adopt self-defeating policies, with the United States continuing to interfere in the affairs of Third World countries, especially the Islamic ones, while Russia is now bogged down in Chechnya.

The United States has used the United Nations to impose sanctions against Iraq, Libya, and recently Iran because these countries refuse to come under the U.S. sphere of influence. The list of countries under sanctions will increase if any other Islamic country tries to assert its own principles and safeguard its own sovereignty.

If indeed the United States wants to become policeman of the world, why does it ignore violent acts against Muslims anywhere in the world? Has the United States done anything to cope with violence directed at Muslims in Beirut, Gaza, the West Bank or other areas where Muslims are fighting to safeguard their sovereignty and dignity?

Muslims are offended by the U.S. policy and what is happening in Islamic countries is testimony against an oppressive policy obviously aimed at Muslims and Islamic countries.

Muslims are actually followers of a religion of peace and unity among human beings and they can live in peaceful coexistence with others if they are given an opportunity to practice their religious teachings. The United States should therefore practice the principle of peaceful coexistence which it has always advocated.

Singapore

U.S. Trade Measures Against Japan Criticized

BK1305095495 Singapore THE STRAITS TIMES in English 12 May 95 p 32

[Editorial: "Car War: Can U.S. Do Better?"]

[FBIS Transcribed Text] It is not difficult to see why the Americans are angry. The Japanese car market is a lucrative one, and as a major car-producing nation, the United States believes that its exports will do well there. Unfortunately, it adds, serious problems bar the way to "genuine market access." As proof, it cites the statistic that foreign car makers have less than 10 percent of the Japanese market. What makes this state of affairs even more unbearable is that cars and car parts account for a whopping U.S. $37 billion (S [Singapore] $51 billion) out of the U.S. $66 billion trade surplus Japan has with the U.S. A rise in the sales of American cars and parts would help to correct the imbalance. Nothing less than 20 months of painstaking negotiations have gone into trying to rectify that unacceptable situation, but no "concrete results" have been achieved. Something, Americans decided, needed to be done, and they did it this week by initiating moves to impose punitive tariffs on Japan and file a complaint with the World Trade Organisation (WTO).

However, in doing so, they have set themselves on a collision course whose results could be tragic. The Japanese, too, have an array of arguments. First, responding to U.S. figures on market share, they say that many foreign, particularly European, car makers have made gains recently. This belies American claims of a rigidly closed market. Then, many Japanese practices which the U.S. complains about are not illegal. Japanese car makers do source parts from Japanese manufacturers, but the latter are often owned partly or controlled by the former. They sell parts at almost cost- value, gaining a significant edge over foreign parts makers. While this might appear to be an obvious example of how Japan denies foreigners market access, there is nothing illegal about the practice.

As for the U.S. demand that Japanese car manufacturers accept a "voluntary plan" to buy more American parts, this is unacceptable because, in reality, the scheme would be anything but voluntary. It would actually be an expression of managed trade and run counter to the idea of free trade, which the Americans insist is intrinsic to their foreign economic policy. It would, in any case, be unenforceable because these manufacturers are private companies. The Japanese are also critical of the way the U.S. has chosen to respond to the stalemate: by deciding to impose higher tariffs while complaining to the WTO. Effectively, this means that Japan would be punished unilaterally even before the case was heard by the multilateral organisation. Should the WTO decide in Tokyo's favour, would the punitive tariffs be withdrawn? These are pertinent points. They address not only the dispute in question but also the broader principles of U.S. trade policy.

What follows is that while the U.S. has legitimate concerns over its trade relations with Japan, the slapping of tariffs is not the way to deal with them. Tokyo needs to do much more to rebut allegations that its car market is closed. Indeed, it needs to dispel the notion that the Japanese economy as a whole is protected from foreign competition for the benefit of manufacturers, not consumers. Many argue that this is done by means of nontariff barriers, or "invisible" controls, which run counter to the notion of free trade, of which Japan is a principal beneficiary. Equally, however, Washington's habit of falling back on unilateral instruments while keeping its multilateral options open should be condemned. Nobody, not just the Japanese, should be forced to buy American cars; consumer choice is sovereign and personal all at once. U.S.-Japanese economic relations cannot be founded on such strong-arm measures; unilateralism should not be the instrument of choice, especially in the WTO age. No matter what other countries think of the merits of the Japanese and American cases in the dispute over cars and parts, they are unlikely to support the adoption of measures that may be used, wrongly, against them one day.

Lee Kuan Yew Interviewed Over Spratlys Dispute

BK1505131195 Singapore THE STRAITS TIMES in English 13 May 95 p 34

[Unattributed interview with Senior Minister Lee Kuan Yew; date and place not given]

[FBIS Transcribed Text] [Question] **What is your assessment of what China was trying to accomplish at Mischief Reef?**

[Answer] Well, I'm mystified. The timing mystifies me. I cannot explain it.

They say it's a completely innocuous shelter for fishermen and that too much has been made out of it. This shows their desire to keep the issue at a calm and restrained level. But of course, the Philippines may find that difficult ... I cannot predict how this thing will develop but if you look at it in the longer term, longer term meaning 10, 15, 20 years and this issue will go on 10, 15, 20 years, because you can't suddenly bring the oil derricks out and pump out all the oil and gas, then there are two major elements in this issue.

Singapore has no interest in the first, namely ownership of the atolls and the oil or gas that may lie beneath them. That's a matter which the Chinese say they will discuss and resolve in joint development.

Some ASEAN countries do not want any joint development. So this is a matter to be resolved. But if ownership of these atolls means territorial waters and or more archipelagic waters with 200 kilometres from the outermost atoll for economic zones, then there will be no more open seas. The South China Sea will be divided into a mosaic of little lakes for six or five owners or joint owners. This is a big issue in which Singapore as a major seaport has a vital interest.

So too, the other maritime nations, Japan, the U.S. and Europe, they have an abiding interest in sea and air passage. So the two issues of ownership and of passage over these waters have to be separated and dealt with sensibly. Ownership of the oil and gas can be resolved between the claimants, but it must not impinge on the freedom of navigation of ships, flights of aircraft. This is a wider issue, an international issue.

[Question] **China has seemed to make a broader claim to the major part of the South China Sea and has essentially said that the South China Sea as a whole was a sovereign possession of China**

[Answer] I read they had some old maps, printed in the 1950s where they made this claim; but more recent maps have not demarcated this as an inland lake.

[Question] **It seems though that sometimes that China feints in this direction and sometimes varies its claims tactically depending on the situation, sometimes seemingly to claim the whole sea, and sometimes seeming only to assert ownership of certain islands or atolls.**

[Answer] Well, I cannot profitably analyse their tactics. They are very seasoned at foreign diplomacy. But I would not dismiss their claims to joint development of the oil and gas lightly. That is a matter of practical politics between the claimants. What can be achieved by the international community and not by ASEAN, is freedom of navigation and flights over the area. This must be resolved in the interests of international transportation. This is Singapore's interest.

[Question] **Do China's recent actions in the South China Sea, namely at Mischief Reef, raise any fears that China will somehow pose a threat to its neighbours in the future, and how will this affect the way other Asian countries deal with China?**

[Answer] I don't think the building of these structures on Mischief Reef necessarily means that China is becoming aggressive. It is part of the dynamics of international relations, relations between China and the U.S., China and Japan, and China and ASEAN. ASEAN cannot contest China's claims in a military manner.

Supposing the Philippines had been like Hawaii, a 51st state of the United States, that would have been made it a completely different proposition. But the Philippines is not.

U.S. Role in South China Sea

[Question] **How should the U.S. be dealing with the South China Sea?**

[Answer] I don't know. The president, his National Security Council, the State Department, and the Pentagon will decide that.

I remember that in the Bush administration, when I spoke to Dick Cheney, defence secretary, and to James Baker, secretary of state, they made clear then that the U.S. had no claim over these islands and that they had no views on the claims.

Since then, there has been a shift in nuance. Not that the US has made claims over the atolls, but it has shown a greater interest over the question of navigation and air flight. Ownership will be a difficult problem to resolve. Navigation and flights should be solvable — they are less difficult. If we can segment the problems, the whole issue can be less intractable. Because the stakes will then be much smaller.

[Question] **Some people have criticised the U.S. for not taking enough interest in this navigation question, essentially letting the situation unfold without playing a very active constructive role.**

[Answer] You forget that countries, especially the U.S., where the media plays a powerful role in determining the public mood, goes through different moods. And in 1991-1992, the mood was let's get the most out of the peace dividend. Now if you want to ensure freedom of navigation, of flights over the regions, the question is how many aircraft carrier groups must you not mothball. The more carrier groups remain operational, the more the peace dividend shrinks. The Pentagon may want to take a more positive stance. I would watch developments closely.

[Question] **In China?**

[Answer] In China.

[Question] **So it's in peoples' interest to settle the issue now.**

[Answer] Well, I would have thought that was self-evident.

[Question] **Let's talk about ASEAN position in this. Many have detected an evolution of ASEAN policy. There certainly were signs that in this meeting in Hangzhou or at least after the meeting, in the informal session, that ASEAN's position seemed to move forward. Do you see ASEAN's policy evolving and do you think it will evolve further in the future?**

[Answer] Well, it must evolve in response to changing circumstances. Some would interpret this like a big dog going up against a tree, lifting his leg to mark the tree, so that smaller dogs will know that a big dog has been there, and to take note of that.

[Question] **A very nice analogy.**

[Answer] It's not aggressive in itself. You have seen big dogs and little dogs. It's a little one-upmanship.

[Question] **Right, but sometimes a group of little dogs will get together and nip at the heels of the larger dog. Do you see that happening right now? Is ASEAN starting to put up a little more of a common front?**

[Answer] If I am sure that I belong to a pack that's got a big dog, I would consider a nip. If we are all small dogs, it may be wiser just to bark.

Japanese Warrior in China

[Question] **I won't throw you any more bones here. I want to go on to Japan. There are signs that the Japanese are becoming somewhat warrior of China. I've heard that Japan in very quiet diplomatic way is trying to talk China out of acquiring an aircraft carrier — whether China has taken that advice is unclear.**

I heard a Japanese academic and a member of the Diet at a recent conference argue that their own country's policy ought to be to condition aid to China on China not conducting nuclear tests. There are a lot of things going on there. I'd like to ask your general view of how the Japan-China relationship is evolving.

[Answer] At the moment, they are enjoying amicable relations. Mr. Murayama is in Beijing and I'm sure the visit will be productive. The Chinese want it to be productive, and so do the Japanese.

But the underlying concerns of the Japanese cannot be dispelled whether or not the Chinese say, yes, we will not have an aircraft carrier. They will not have an aircraft carrier for the next 10 years. But they will not have an aircraft carrier forever? That's unreasonable. It is in the future of the relationships — one thousand two hundred million people against one hundred twenty five million — ten times.

[Question] **It is natural for China to have a military? That's not necessarily aggressive?**

[Answer] It depends on what it packs in its armoury.

If it were designed to meet a big power battle group, that's not so troubling. But if it were designed for small amphibious operations, that's different.

No matter how harmonious relations can be for the 10 to 15 years, there is the problem of the next generation of Chinese leaders in the year 2010 for instance. That generation would not have known the Cultural Revolution or the last world war. They would only have known growth and would feel that with growth they're entitled to a bigger seat in the councils of the world. That problem will remain.

I accept that the present group of leaders want peace and stability, in order to build their economy, to transform China into a modern industrial society. I believe they will mute or freeze or forego many disputes, and shelve many problems, to avoid conflict.

But the next generation when people now in their 30s come to power in their 50s, in 20 years — things will be different. It's the same problem with Germany.

Chancellor Kohl — now if you are sure that in 20 years' time, the German leader is still like Chancellor Kohl, then Europe will be a peaceful place.

But is it wise to assume that? And is it wise to assume that you will have a Yeltsin or a Kozyrev in charge in Russia in 20 years? It's a problem of the passing of generations.

[Question] **At the same conference, another Japanese, a businessman was speculating that when North and South Korea are finally united, Japanese tax payers would be no longer willing to support American military presence in Japan and he suggested that at that point the American military move to Singapore. Southeast Asian tax payers ought to pay for it.**

[Answer] Southeast Asian tax payers can't afford to pay. The whole of ASEAN has about 20 percent of Japan's GDP or 30 percent in PPP [Purchasing Power Parity] terms. If I were Japanese, I would not assume that after North and South Korea have been reunited, I will not need to have America as an ally — that's a non sequitur.

[Question] **There was this problem a few months ago when the U.S. was trying to pre-position some tanks in Southeast Asia and had a hard time finding a willing host. Is there any change in the receptiveness of Southeast Asia to the U.S. military's presence in this region?**

[Answer] I have not heard of developments and I have seen no reports. Well, I hope it will be done. We all depend on oil from the Gulf.

[Question] **Are you optimistic or pessimistic about Taiwan-China relations?**

[Answer] Neither. I'm quite realistic. It's not going to happen soon.

[Question] **Reunification?**

[Answer] Reunification, I don't think the Taiwanese are under any illusions. The danger is if and when there is a change of government in Taiwan, which is not likely in the next elections, it could be a nervous period.

A new government may want to test its limits. This present government has had a long time testing its limits

— the space within which Taiwan can move without hitting an electric fence.

So I do not expect serious conflicts between a KMT [Kuomintang]-governed Taiwan and a CCP [Chinese Communist Party]-controlled China. But seven or eight years down the roads, if there were a change, a new government would want to test its limits. Then I would be nervous. They read the Western press, what they write, but do not realise the Western press does not underwrite what it writes.

There has been a spate of articles in support of Taiwan's place in this world, in the UN, in international bodies, and so on.

With the KMT government, that's old hat, they know the difference between the Wall Street Journal and State Department. Or CNN as against the State Department spokesman on State Department TV satellite networking with foreign questioners. But a new group in office fed all these years on "Royal Jelly" so to speak, may believe that it's got the support the press has written so much about. That could be troublesome.

Training Ground in Suzhou

[Question] **One last question, the Suzhou question, how is that working out, is it achieving for Singapore, your investment strategy there, what you want it to achieve? Are Singapore businessmen expanding in other parts of China?**

It's not Singaporean businessmen only. The plan is to show them, train them and teach them how to plan, implement, and administer a modern, comprehensive, industrial estate which has industries commerce, and residential.

The plan is proceeding. It's not just Singapore investment. It's worldwide investments, like in Jurong, Singapore. We have thrived because of foreign investors.

China has to learn how to make Suzhou, in fact all of China, favourable and hospitable to foreign investment. It is a difficult job. But if it were easy, then we wouldn't be needed. I have only to read the reports of my aides.

Sometimes I feel sorry for the officers and the businessmen who have to be in Suzhou until 2 or 3 in the morning arguing it out. It's very time consuming. To read it makes me tired. They go around and around and around, quarrelling over turf.

Cambodia

Khmer Rouge: Senator McCain 'Vietnamese Agent'

BK1505054395 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 15 May 95

[Unattributed commentary: "The United States Summons Chea Sim to Washington at a Time when the Two-headed Government Is Heading Toward Collapse"]

[FBIS Translated Text] According to a report, the United States summoned Chea Sim to Washington to find a way to help save the two-headed government, which is experiencing a serious military, political, economic, and financial debacle. During this trip, it was reported that Chea Sim met with John McCain. Who is this John McCain? He is a Vietnamese. He has a Vietnamese wife and Vietnamese children. He is an American by nationality but, he is a Vietnamese agent who is helping Vietnam to commit aggression and genocide against Cambodia. The Cambodian people know very well that this man is a villain. He represents the policy of the United States and the villainous Western alliance — that is, Vietnam's partners in sabotaging the Paris Agreement, undermining the quadripartite coalition, and in bringing together the Vietnamese and U.S. puppets to conceive this two-headed, three-eyed monster. Presently, they are conniving with communist Vietnam to continue the latter's war in Cambodia and to give it a chance to swallow up the country.

People have noted that Chea Sim's clandestine visit to the United States was made at a time when the two-headed government was experiencing a serious defeat. On the battlefield, the people and resistance forces jointly crushed the two-headed government's military campaign in the just-ending 17th dry season, handing it the most shameful defeats, especially on the Northern and Western Cambodian battlefields. Now, the people and resistance forces are putting heavy pressure on the two-headed government in Battambang Province. Meanwhile, the people are vigorously opposing the two-headed government everywhere, both in the countryside and in the cities. Peasants, students, intellectuals, journalists, and even important politicians are opposed to the two-headed government because it betrays the nation; sells out the nation; plunders and confiscates the people's land, paddies, and orchards; defends and legitimizes the presence of four million ethnic Vietnamese in Cambodia; is corrupt to the core; steals and pilfers everything; and so on.

It was in that situation that Chea Sim went to the United States to beg his boss for help. However, no matter how hard the United States tries, it will never be able to save the two-headed, three-eyed monster from the pit of death, nor will it succeed in supporting the two-headed government to continue communist Vietnam's war in Cambodia. This is because the Cambodian people are resolutely against them. Therefore, the only solution is to end communist Vietnam's war; bring about national reconciliation; and restore the country's peace, territorial integrity, and sovereignty. This will be beneficial to the Cambodian nation and people and to peace and stability in Southeast Asia as well as to all countries, including the United States.

Khmer Rouge Claim Successes in North Battambang

BK1505010195 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 14 May 95

[FBIS Translated Text] After we surrounded them with punji stakes and mines and regularly sniped at them, on 11 May our army and people jointly attacked and smashed a two-headed company position located at Reach Don Kev Monastery and another company position at Chong Chhdao Village and attacked and completely swept away the two-headed civilian administration of Prek Norin Village, on the North Battambang battlefield. We killed two enemy soldiers and wounded four others, killed five cruel administrators, destroyed three houses of the cruel administrators, and seized three AK's and a quantity of ammunition.

On the same day, our army and people attacked and completely smashed an enemy company position at O Chor in Prey Chas Village after we surrounded them with punji stakes and mines and regularly sniped at them, causing the enemy to be afraid to venture out of their positions. We killed one enemy soldier and wounded another. Several survivors, who fled from the position, ran into our punji stakes and pits and injured themselves.

Indonesia

'Privileges and Injustice' in NPT Cited

BK1505101395 Jakarta KOMPAS in Indonesian 13 May 95 p 4

[Editorial: "After Indefinite Extension of the NPT"]

[FBIS Translated Text] A 25-year treaty designed to prevent the proliferation of nuclear weapons was eventually extended indefinitely following prolonged debates. The decision Thursday capped a session on the matter, which began at UN Headquarters on 17 April.

Looking back at the negotiations, we see that a thin majority of 95 countries initially wanted an indefinite extension of the Nuclear Nonproliferation Treaty [NPT]. Thirty-two other countries tended to favor indefinite extension of the treaty.

In fact, the NPT could have been extended indefinitely during the second week of the conference since a minimum number of the 178 NPT signatories had supported the move. The United States and other Western countries, however, wanted the treaty to be extended unconditionally and with a big majority. They contended that a thin victory would lessen their authority.

About 23 countries, including such nonaligned countries as Indonesia, Nigeria, Venezuela, and Zimbabwe openly opposed indefinite extension, while 15 others tended to oppose the indefinite extension. These countries maintained that the NPT could be extended after a certain period pursuant to developments, particularly whether nuclear countries are willing to disarm themselves. Otherwise, there are privileges and injustice in the world as to who has the right to possess nuclear weapons and who does not.

A new question emerges now that the NPT has been extended indefinitely. Will the world be safer? Maybe, said Nicholas Doughty from REUTERS who covered the conference in New York.

The nuclear era, which started 50 years ago when the United States dropped two atomic bombs on Japan, remains shrouded in danger despite the end of the Cold War. There is a problem. Some countries have secret nuclear arsenals and perhaps other countries have similar ambitions.

The international situation has worsened due to growing smuggling of nuclear substances since the Soviet Union collapsed in 1991. Besides those substances, nuclear expertise and experts are now easily available.

The disturbing part of the latest developments is the possibility of five nuclear powers refusing to destroy their weapons.

The United States and its primary Western allies, which come under the U.S. nuclear umbrella or have their own nuclear weapons, have obviously praised the decision to extend the NPT indefinitely. For the Western countries, subsequent nuclear threats will come from such countries as Iran, which has been accused by the United States of trying to obtain nuclear bombs, as well as India and Pakistan, which they believe to have nuclear weapons.

On the other hand, developing countries and Middle East countries believe that nuclear threats exist due to Israel's nuclear program and the refusal of the big five to disarm themselves more quickly.

The nuclear powers showed no intention of making concessions or setting a timeframe for nuclear disarmament during the conference which lasted almost one month. The five nuclear powers have at least 20,000 operational nuclear warheads. Despite massive cuts by the United States and the former Soviet Union, they have more nuclear weapons now than in 1970 when the NPT took effect.

Russia, the United States, and its allies firmly believe that they need to retain a number of nuclear weapons to ensure their own security. They admit privately that total nuclear disarmament will be unrealistic.

In this regard, Hans Blix, director general of the International Atomic Energy Agency [IAEA], said there is still much to be done by the those possessing nuclear weapons ... such as a total ban on nuclear tests, a total halt on the production of nuclear material, and disarmament of the remaining nuclear weapons.

In fact, the results of the New York conference must be accepted with some perplexity. On the one hand, the treaty has a good idea in its desire to curb the proliferation of weapons of mass destruction. On the other, there is injustice because it favors the official and unofficial nuclear powers which are protected by the official nuclear powers.

It is logical that such countries as Indonesia as well as the Arab countries and Iran, which has denied having made nuclear bombs, criticized Israel's nuclear program and accused Washington of being indifferent to Israeli nuclear weapons during the New York conference. Just to describe the U.S. injustice, it is interesting to quote Mohamed Azwal, Libyan permanent representative to the United Nations, as saying "the United States has endorsed Israel's nuclear program, but Tripoli has been prohibited from possessing knives or stones."

We can do nothing. Superpowers and Western countries have usually won the tugs of war in international fora. Nevertheless, countries dissatisfied with the results must continue to exert pressure on the official nuclear powers to disarm themselves.

Suharto Urges Japan To Overcome Strong Yen

BK1305132095 Jakarta ANTARA in Indonesian
1025 GMT 13 May 95

[Report by Saleh Danny Adam]

[FBIS Translated Excerpt] Jakarta, 13 May (ANTARA) — A sharp appreciation of the Japanese yen against the U.S. dollar to the extent that one U.S. dollar is equivalent with less than 90 yen has brought about problems for Indonesia, primarily the repayment of its foreign debts because about 40 percent of its foreign debts are denominated in the yen.

In the wake of the yen's appreciation, the Indonesian Government says that Indonesia's debts increases by $350 million (about 770 billion rupiah) for every one-percent appreciation of the yen.

The Indonesian Government hopes that Japan will seek ways to help Indonesia cope with the growing debt burden following the yen's sharp appreciation.

President Suharto expressed the Indonesian Government's hope in a letter handed over by Prof. Wijoyo Nitisastro, presidential adviser for economic affairs, to Prime Minister Tomiichi Murayama.

"Presiden Suharto believes that the Japanese Government certainly knows how best to cope with the problem," Wijoyo told reporters in Tokyo on Friday evening.

Rescheduling

Wijoyo quoted the president as saying that the Indonesian Government will not ask for the rescheduling of its debts to Japan; Indonesia will not ask for its debts to be reduced.

Indonesia maintains that it will honor its international financial commitments in full and at the proper time. Thus, its debts will not be rescheduled or reduced.

Indonesia is maintaining such a stance because its international commitments must be honored. "If this is not the case, the Indonesian economy itself will face difficulties because the international financial circles will lose their trust in us," Wijoyo said.

In addition, Indonesia wants to show other developing countries how best to manage economies and foreign loans.

"Indonesia must serve as an example to other developing countries. This is very important for the world because what happens to a country will eventually affect other countries and the world," he said.

Nevertheless, the Indonesian Government, Wijoyo said, feels that the yen's appreciation has put Indonesia in a difficult position and "joint steps" are therefore necessary to cope with it.

Based on data at the Japanese Ministry of Foreign Affairs, Indonesia has been the largest recipient of Japanese loans since 1968. The loans reached 2.3 trillion yen by the end of 1994.

Meanwhile, the House of Representatives of the Republic of Indonesia see the need for the government to reassess the impact of the yen's appreciation on the foreign debts of the Republic of Indonesia.

"If the yen's appreciation is not immediately overcome, Indonesia's burden of loan repayment will become heavier. Moreover, the Republic of Indonesia wants to reduce its DSR [debt-servicing ratio] to 20 percent by the end of the Sixth Five-Year Development Plan," said H. Hamzah Haz, chairman of the United Development Party Caucus at the House of Representatives.

Muslim Leader Predicts Suharto To Retain Power

BK1505104695 Jakarta THE JAKARTA POST in English 6 May 95 p 2

[FBIS Transcribed Text] Yogyakarta (JP) — Abdurrahman Wahid, a shrewd political analyst well-known for his controversial views, predicts that President Suharto will retain power in 1998.

Although debates are raging about the presidential succession, Gus Dur — as Abdurrahman Wahid is better known — said he is skeptical that the People's Consultative Assembly will elect a new president in 1998.

"Personally, I doubt that there will be a succession because general elections are only two years away and Suharto still doesn't seem to have any competitor," he said during a seminar on politics.

Gus Dur, who chairs the 30-million member Nahdlatul Ulema Moslem organization, said everyone has the right to talk and theorize about the future president, "but real politics in the country is unpredictable."

President Suharto, 73, is presently in his sixth five-year term in office.

Gus Dur said that Indonesia has no clear mechanism on presidential succession and the only guideline is the 1945 Constitution.

"If you only want to talk about replacing a president who is indisposed or dead, that is already settled in the Article 7 of the Constitution," he said.

However, he said, implementation of the article is open to different interpretations and Indonesia has no experience in openly discussing, let alone implementing, the issue.

The article states that the presidential term of office is five years and he or she "can be re-elected". It does not specify for example, how many times the president can be reappointed.

He cited that former United States President John F. Kennedy was replaced by Vice President Lyndon Johnson shortly after Kennedy died.

"Should we automatically replace the president in this way, or should we opt for some other mechanism?" asked the leader of Forum Democracy.

The issue of succession was brought up again earlier this week when Chairman of the Supreme Advisory Council Sudomo said President Suharto wanted the future president and vice president to be civilians.

Responding to questions or the reduction of House members from the Armed Forces (ABRI) faction, Gus Dur said that it was difficult to predict the political implications of the decrease in representation.

He argued that discussing the number of ABRI's representatives in the legislative body is less urgent than discussing how to make the political system more transparent.

"The major task now," he added, "is how to smoothly manage the democratization process and how to balance the executive, legislative and judicial powers. "

Gus Dur considered the executive branch of the bureaucracy more dominant than the legislative, which affects the checks-and-balances mechanism.

Within the political elite there is fear that a balance between the three powers would lead to "liberalism" and then on to political chaos.

"I think this fear must be dispelled through discussion forums," Gus Dur said. "It's a pity, though, that these very forums are often restricted by the government."

On a separate occasion, General (retired) Sumitro, a former chief of the powerful internal security agency, questioned a proposal by Gen. (retired) Abdul Haris Nasution that the government require all able citizens to participate in military training.

Nasution helped conceptualize the military's dual function in both defense and politics. He argues that military training would help stop the debate over the military's dominant role in politics.

Suharto's Meeting With Economic Adviser Noted

BK1305120395 Jakarta KOMPAS in Indonesian 12 May 95 p 4

[Editorial: "President Suharto's Discussions With Professor Wijoyo Nitisastro"]

[FBIS Translated Text] President Suharto held a meeting with Professor Wijoyo Nitisastro, his economic adviser, on Monday [8 May]. Speaking after the meeting, Minister/State Secretary Murdiono explained that it had been decided that the government needed to embark on making deregulatory measures, particularly in the real sector, in an effort to face the rapid, dynamic, and challenging global economic situation.

The minister/state secretary added that there was a possibility that preparations for the deregulation package would be finalized and an announcement made in May this year.

Professor Wijoyo was seen meeting with Japanese Prime Minister Tomiichi Murayama in a television news program on Wednesday night [10 May]. They discussed the issue of the yen appreciation that has posed a burden for developing countries, including Indonesia. However, there were reports that there was an appeal for easier terms on the repayment of Indonesian debts to Japan. Unfortunately, the Japanese Government overturned the appeal.

The editor of this daily received numerous questions from members of the public — particularly from businessmen — despite the fact that the discussions between President Suharto and Professor Wijoyo centered mostly on world economic developments. People still recall vividly a similar feeling of anxiety before the Sixth Development Cabinet was announced and Professor Wijoyo Nitisastro and Professor Ali Wardhana were appointed as the presidential economic advisers in 1993. However, the people's anxiety soon subsided after the announcement. The current question uppermost in the mind of the business sector is: Can the government come up with a substantial decision that can further improve Indonesia's economy and stimulate the business sector through the role of Professor Wijoyo? Hopefully, the proposed deregulation package will become a reality and not just remain merely as an empty statement. All sectors need to compromise to ensure the success of the deregulation package.

We do not know how to provide an answer to the question. However, as far as we know, Indonesia's management of its macroeconomics affairs has so far been reasonably good despite the continuous price increase of several goods such as cement and paper.

The country's management of its macroeconomics affairs is under control despite the complaints made by some people that their business activities have not been at all satisfactory. All is relatively well with the monetary sector. The public no longer feels tense over the issue of banks and devaluation. Our loan repayments are well under control.

However, Indonesia's economy is not without problems. According to an economist, Dr. Kwik Kian Gie, attention needs to be turned to macroeconomics problems. The country is currently having no problems regarding its economic growth. The 6-7 percent economic growth target for this year can possibly be achieved.

Apart from this, Indonesia is currently facing a difficulty in trying to suppress its inflation rate. The country will find it difficult to try to keep the inflation rate at five percent this year because for April alone the inflation rate was recorded at 4.73 percent, and there are eight months more to go. The inflation rate is likely to reach 10 percent this year, similar to last year's.

The situation appears worrisome in connection with the balance of payments and the current account. Indonesia's nonoil and nongas exports are facing an uncertain future as a result of the prevalent competitive world. Two major exports, namely, textiles and plywood, are expected to decline. There is no guarantee that Indonesia's other nonoil products can make up for the decline of the two major export items.

The employment sector is also experiencing a difficulty. A new wave of 2.5 million persons seek employment annually. This does not include the remaining unemployed persons from the previous years. Employment opportunities are still insufficient even with the creation of additional new jobs because of the surplus unemployment figures from the previous years. It is expected that the number of job seekers (the new wave of job seekers includes the figures carried over from the previous years), will unquestionably swell from year to year. The increasing figures can be observed, among other things, from the growing number of unemployed high school and university graduates.

The problems of unemployment and the creation of employment opportunities still remain hazy. So far, we have been unable to analyze this problem accurately. Unquestionably, we have reason to worry over such problems.

With the announcement of a new deregulation package in May, we should fervently hope that our country's economic situation will further improve. The deregulation package runs parallel with the existence of an effective and highly competitive economic flow. However, we should also remain cautious in an effort not to jeopardize our own interests. For example, we should avoid becoming a major importer of raw materials for the sake of making our industries more efficient. We need to find other outlets for our exports instead of the traditional outlets. On the other hand, there will be industries seeking protection against competitive imported goods. In seeking protection, these industries will ask for protection because they are infant industries.

Past experiences have shown us that such protection has not made our industrial sector become more efficient despite total control of imports and exports. Protected industries have not become efficient or competitive within the mechanism of a free market economy.

In an era where the government continues to undertake the deregulation drive, we need to be aware of efforts that may run in opposition to achieving the objectives of our deregulation package.

Thailand

Commentary Criticizes U.S. Embargo on Iran

BK1405110595 Bangkok THE SUNDAY POST in English 14 May 95 p 22

[Unattributed commentary: "Morality Hardly the Issue in Irrational Embargo on Iran"]

[FBIS Transcribed Text] Now they've gone and done it. The United States has decided to ban all trade with Iran. The lines in the sand foretelling coming conflicts are being drawn with greater clarity and, in the meantime, the world has yet another embargo to moralise about and sneak around.

"My decision to impose this embargo should make clear to Iran and to the whole world the unrelenting determination of the United States to do all that we can to arrest the behaviour and ambitions of that nation," US President Bill Clinton said last Sunday. "It would be wrong to do nothing as Iran continues its pursuit of nuclear weapons. It would be wrong to stand pat in the face of overwhelming evidence of Teheran's support for terrorism."

But Mr Clinton's insufferable schoolmarmish language (most notably his ceaseless, maddening references to "conduct" and "behaviour") notwithstanding, this is not about right and wrong. International politics never is. Nor is it about "Islam" or even, really, about "terrorism". It is about power, money, and — here is where it comes to involve and affect all of us — it is about oil.

Most immediately, oil prices will rise in Asia. "There will be dislocation of the market with the US ban," says Ng Weng Hoong, editor of SINGAPORE OIL REPORT. "American oil companies will be looking to buy their oil substitutes elsewhere. This is going to jack up prices."

Foreign subsidiaries of US oil firms previously could buy Iranian oil, but it was not immediately clear whether they now would be banned from doing so. Probably the Clinton administration will make up its policy on this as it goes along, as usual. Worthy of note is that South Korea and Japan previously had been not only the greatest industrial powers in Asia but also the largest importers of Iranian oil. This might change as non-Iranian suppliers begin to favour American firms that now will have a shortfall to make up.

Many questions need to be asked, beginning with: How will the newly distorted market conditions affect the economy of East Asia? The answer will have much to do with economic, political and military stability in the region over the coming years. Consequences cannot be wished away. The latest, dangerous, irrational US embargo will not be without far-reaching consequences.

Other questions need to be asked. Who benefits? Surely higher oil prices will benefit oil companies and oil-exporting countries, especially ones like Saudi Arabia that can repay their Gulf War debts to the US more quickly if prices are higher. Why did Mr Clinton choose a dinner of the World Jewish Congress to announce the embargo? Is he courting the erstwhile Zionist vote in the US? Or is the American foreign policy establishment trying to signal to Arab nations that it will stand behind its Israeli ally to the bitter end? Certainly the Israeli government lost no time in voicing its support. "It's a concrete measure which is justified," said a foreign ministry spokesman. "It's positive."

Iran for its part did not welcome Mr Clinton's move, to put it mildly. "The Americans continue their provocations but we have not still said our last word to them," said the commander of Iran's elite Revolutionary Guards. "One day we will launch a decisive offensive against them and the commanders of the armed forces should be ready."

Without doubt, the embargo will be porous; a brief glance at a map can verify that certainty, and American willingness to look the other way as Iran supplies the Bosnian Muslims with arms betrays the new policy's moral bankruptcy. Smuggling via Afghanistan and Pakistan cannot be controlled. And Iran's neighbour to the north most certainly will not follow American orders. So why is the embargo being imposed? And why was it announced a mere week before Mr Clinton's visit to Moscow? On the heels of the Chechnya outrage, Russian support for the Bosnian Serbs, and Russian and Chinese sales of nuclear technology to Iran, perhaps the US has finally given up on Russian "democracy" and is preparing itself and the rest of us for a showdown.

One thing is certain: all this has precious little to do with "Islam" per se. The day "anti-Islamic" becomes a dirty word on a par with "anti-Semitic," the world will be a better place. Nor does it really have much to do with Iranian "support" for "terrorism". Iran is a state that occupies a certain portion of the globe's land surface and, as such, it has geopolitical compulsions, just like any other state. It's time American foreign-policy makers put a lid on their annoying, condescending moralism and started treating their foreign colleagues and adversaries — even Iran — as fellow grown-ups in an all too grown-up world.

Editorial Criticizes 'Worth' of NPT Document

BK1405113295 Bangkok THAILAND TIMES in English 14 May 95 p A4

[Editorial: "Do As I Say, Not As I Do"]

[FBIS Transcribed Text] Without taking a vote, the United Nations extended the Nuclear Non-Proliferation Treaty [NPT] for an indefinite period. There was applause and back slapping, and doubtless much merry-making in the bars and restaurants at the UN building in New York.

The super-five managed to retain their exclusive right to own and develop nuclear weapons. France has already announced that it may be necessary for it to conduct further testing. Testing for what? Tests are required for proliferation - development - not for destruction or non-proliferation. One hates to rain on such an obviously enjoyable picnic, but weren't the original aims of the NPT to see an eventual demise of the global nuclear threat? Nations with ambitions to become nuclear armed powers are subject to sanction because nobody wants to see more of these devastating weapons produced. Yet the sanction imposers - the five nations of the Security Council - make little effort to hide their continued development of weapons of mass destruction.

There are currently more than 50 wars raging around the globe. Fortunately they are what is cheerfully described as "conventional," that is, people use weapons of limited destructive power to cut, slash, burn and mutilate. What is worrying, is that some of the countries engaged in these conflicts do have a nuclear capability.

On the sub-continent sentiments are at a boiling point over the destruction of a 650-year-old Islamic shrine in the Kashmir Valley. Pakistan and India are rattling their sabers and making other warlike gestures. Both of these countries are on the list of likely nuclear armed powers. Neither are members of the NPT.

With tacit US support Israel has begun a new series of land expropriations in Jerusalem and the West Bank. PLO leader Yasir 'Arafat has suggested the Oslo Agreement for Palestinian autonomy is a flawed document and he was negligent of his sacred Palestinian duty when he signed it. Israel is also doubtless a nuclear armed state but is not a member of the NPT. Arab states attempted to pressure the UN to force Israel to sign up to the global nuclear deal, US intervention scuppered their efforts. Israeli Prime Minister Yitzhak Rabin was even moved to publicly thank President Bill Clinton for his support. Meanwhile, Washington is pressing ahead with its economic and trade embargo against Iran, a member of the NPT, for its alleged ambitions to develop weapons.

One could be forgiven for thinking there is a bad case of double standards doing the rounds in New York and Washington. The renewal of the NPT enshrines the right of the super-five to maintain (and add to) their nuclear arsenals, while it embodies the right of the Security Council to act harshly against any other state that attempts to develop a nuclear capability. This could be described as a "do as I say, not as I do" approach to the problem of international nuclear proliferation. The UN, however, does appear somewhat selective in the states it will enforce sanctions against. Israel is already the subject of UN resolutions regarding the occupied territories, yet no serious moves have been made to encourage it to give up its nuclear secrets. Pakistan, on the other hand, had an important military aircraft deal with the US blocked because of Islamabad's reluctance to reveal the extent of its own nuclear research.

Even if a country signs on to the treaty and opens up its peaceful nuclear programs for international inspection, the International Atomic Energy Agency have themselves admitted that they do not have the manpower to conduct thorough examinations, nor do they have the mandate to demand access to locked laboratories.

For all of its grandiose ambitions, the NPT is hardly worth the paper it is written on. A few countries may feel duty bound to apply its restrictions rigidly, others will have them applied forcefully if they resist. There are others, the privileged few, who will abide by or disregard NPT regulations as the mood or circumstance takes them.

Joint ASEAN Effort To Deal With Japan Urged

BK1505041895 Bangkok BUSINESS DAY in English 15 May 95 p 4

[Editorial: "Need for Hard Thought on Dealings with Japan"]

[FBIS Transcribed Text] It is time for Thailand and its ASEAN partners to take a long, hard look at the focus of regional cooperation and to move it away from grandiose schemes like the Growth Triangle linking southern Thailand with parts of Indonesia and Malaysia. Instead grasp the nettle of how to better leverage members' dealings with Japan.

On Friday the Japanese Government published a report advising its small and medium-sized businesses on how to adapt to survive in a strong-yen environment. The white paper runs to several hundred pages, but its main recommendations are to concentrate on new product innovation and boosting management efficiency.

This raises questions about Japan's commitment to transfer technology as its industries relocate to lower cost production bases throughout ASEAN. As things stand, individual member countries have to keep glancing a wary eye at neighbors to ensure that their incentive packages to lure inward investment are not being undercut elsewhere. The Board of Investment here closely monitors the terms of tax breaks and other incentives offered by Malaysia for example. This allows Japanese industrialists to play one rival host country off against another to secure the best possible deal.

Unfortunately, as last week's spat here in Bangkok over the status of a power station proposed for Satun Province indicates, in ASEAN, national interests and economic sovereignty count before all else. Kuala Lumpur had wanted the project exempted from the IPP bidding process on the grounds that it envisaged a utility to bolster infrastructure in the growth triangle area. Thailand has rejected this, saying that making one exception would open the flood gates to other prospective IPP bidders who, for one reason or another, feel they should be entitled to preferential treatment.

Despite all the hype about the establishment at some yet-to-be-determined date of an ASEAN Free Trade Area which ensures a plethora of civil servants can gather at their tax payers expense several times a year in some fashionable resort to pick over small print, the WTO [World Trade Organization], not ASEAN, will dictate the pace of events.

ASEAN's attempts at closer economic integration have largely failed. Member nations still conduct at least 65 percent of their merchandise trade outside the grouping, because they produce a similar range of internationally price-competitive products. The differences between tropical food processing, garment and textile manufacturing and electrical and electronic assembly in all members with the exception of Singapore should not be over-emphasized. Realizing this, members have been quietly burying ASEAN Industrial Joint Venture Schemes which were launched with much fanfare in the seventies and envisaged a potash fertilizer project for Thailand and a diesel engine factory in Singapore among others.

For politics, after all is why ASEAN came into being in the first place. Replacing the defunct U.S.-led SEATO [Southeast Asia Treaty Organization], it aimed to counter the Indochinese Communist threat. Now, enough of Growth Triangles, Development Quadrangles and the like, and on to the serious business of enhancing member states collective bargaining power with Japanese industry.

Official Reaffirms ASEAN Invitation to Burma

BK1105042795 Bangkok THE NATION in English 11 May 95 p A 3

[FBIS Transcribed Text] The tension created by incidents along the Thai-Burmese border will not affect the Asean decision to invite Rangoon to attend its annual meeting in July, a senior Foreign Ministry official said yesterday.

"The current row is a matter between Thailand and Burma, not Asean, and we hope it is within our ability to settle it," Deputy Permanent Secretary Sarot Chawanawirat said.

His statement came as political pressure groups in and outside the country mounted campaigns to internationalize the border incidents.

"We do not want to see the kind of settlement that will give birth to another Bosnia," said Sarot.

The ministry was engaged in high-level dialogue with Rangoon to try to bring about a solution to the border problems.

The Burmese Ambassador to Thailand, U Tin Win, was summoned for discussions last Tuesday, he said. It was the seventh round of talks since the border issue flared last month.

Details of the talks were not revealed, but Sarot said Thailand wanted national reconciliation in Burma through peaceful negotiation.

He said the current developments should not be allowed to undermine the government's long-term policy to see Burma as a peaceful and prosperous neighbour.

Government Stance Toward Rangoon Editorialized

BK1305132795 Bangkok THAILAND TIMES in English 13 May 95 p A 4

[Editorial: "Internal Affairs, External Effects"]

[FBIS Transcribed Text] The prime minister, Mr Chuan Likphai, has urged the media not to over-react to the situation along the Thai-Burmese border. The incursions by rebels allegedly belonging to the Democratic Buddhist Kayin Army are triggered, according to the prime minister, by Burma's internal problems and as a consequence are nothing to do with Thailand.

The prime minister is correct, but he stops halfway in his explanation. Why are there internal problems in Burma that the current government has been unable to solve?

The answer is quite simple and obvious to anybody who takes the time to look — Burma's administration is completely illegitimate and has a long record of brutality and other human rights abuses.

Democracy in Burma was kidnapped by the generals, and Thailand expects those who have suffered the most to accept the situation and sit down and negotiate with criminals. When blame is apportioned for violent disturbances, there appears to be a tendency to criticize the rebels and over-compensate for the outrages committed by the military junta in Rangoon.

One wishes that the Thai military, for example, would stop telling reporters that they have an excellent relationship with Burma's army and the problems are mainly political ones. There is an old saying that goes: You are judged by the company you keep. Do our military officers wish to be compared to their counterparts in Rangoon?

In Thailand there is an elected, democratic and civilian government, and there is a professional military. Two items. In Burma, on the other hand, there is a military dictatorship. One, indivisible item.

When the creative policy of constructive engagement was introduced, the hope was that it would encourage a more open society in Burma and consequently lead to democratization and an end to insurgencies. It simply has not worked. Burma's true leader, Aung San Suu Kyi, remains under house arrest and the military dictatorship pervert their own laws in order to keep her there.

The world, East and West, has recognized Aung San Suu Kyi as the only individual who has the legitimacy to govern Burma. Her National League for Democracy is the party of choice to form an administration. It is a matter of conjecture whether or not Suu Kyi will be a good leader, but she must be given the opportunity.

The generals in Rangoon have managed to perfect a unique stratagem - one hand firmly clasped around the throat of democracy, and the other deftly operating the cash register. Constructive engagement may have opened up economic opportunities for Thailand, but it has done nothing to improve its security. While democracy in Burma is ruthlessly suppressed, the armed rebellions will continue. Thailand will present itself as a potential sanctuary for rebels down on their luck and the border areas will remain dangerous bad- lands.

The prime minister has rejected claims that Thailand offers more than humanitarian support to the rebels who have fled the fighting and settled in refugee camps. It would indeed be a terrible mistake for the government to allow itself to become militarily involved in Burma's internal squabbles. Rangoon's accusations, however, are probably nothing more than a smoke screen to hide the real truth. Thailand is involved, but its assistance is indirect and almost exclusively to the military junta.

Any business enterprise that directly or indirectly benefits the government of Burma is supporting that regime's hold on power. Therefore that can translate as a tacit approval of the junta's legitimacy, its actions and its determination to remain in power at any price.

When the Thai government is accused of offering assistance to the Khmer Rouge in Cambodia, the response is always that Bangkok supports the democratically elected administration in Phnom Penh. When the same accusation is made regarding Karen rebels, for example, the response is almost the same but stops short of offering an opinion on the legitimacy of the Rangoon junta. Because it doesn't have any, except for the sort that comes from the barrel of a gun.

Editorial Backs Proposed Money Laundering Law

BK1505025295 Bangkok BANGKOK POST in English 15 May 95 p 4

[Editorial: "The Right Way to End Money Laundering"]

[FBIS Transcribed Text] Drug traffickers smuggle narcotics because of the huge profits. Thus, an obvious way to attack them is through their fat pocketbooks. This simple truth is the key to an international strategy aiming to hurt drug kingpins and halt their law-breaking. On the surface, the strategy is simple enough: seize the ill-gained earnings of known drug gang leaders. But turning the goal into reality has proved difficult, to say the least. In our own country, as in many others, drug trafficking kingpins have sometimes shown that crime does pay. They have made their criminal activities profitable through a complex, shadowy process known in general terms as money laundering.

Money laundry is a fitting term. It involves taking the "dirty" money paid by hapless drug users to their dealers and bringing it into society spanking "clean." The crumpled bills handed over by hundreds of desperate heroin addicts in Bangkok turns up in a Swiss bank account, and is used to purchase an automobile in America. The suitcase of cash paid to a marijuana smuggler on a Canadian island reappears a few months later from a Singapore bank, and is used to pay contractors working on a hotel in Rangoon.

Money laundering is an intricate, often mysterious, process which exploits legal loopholes, international banking and human trust — to say nothing of outright greed. In its simplest form, it is a drug dealer who walks into a bank, opens a James Bond bag filled with cash, and deposits it in his account. From here, he may write a cheque to pay for a new home or car, or he may telegraph the funds to another account in another country. The dirty money has been laundered, and reappears in the economy as clean — just like a dress or shirt laundered after a day of wear. Some 20 years of education and cooperation between anti-drugs officers and bankers have made this simple scenario increasingly rare, but it remains the simplest example of money laundering.

An international community concerned with the high-handed and dangerous marketing tactics of drug kingpins is working desperately to catch up with sophisticated narcotics dealers. Thailand is expected to pass an antimoney laundering law shortly, probably when Parliament disposes of the no-confidence debate. The proposed new law has won wide support from the Government and Opposition, as well as Thai businessmen. Increasingly, society has been both embarrassed and outraged by the sight of drug dealers profiting from their crimes, rather than paying for them.

Work to close down the money laundries will not be easy. But the effort must press forward. Justice may work carefully — and thus slowly — but it must prevail. More than 80 cases brought under the 1992 law permitting seizure of drug dealers' assets remain pending. It is said criminals are encouraged at this. But when the law prevails, they will feel otherwise.

The most encouraging aspect is the support of the business community for anti-laundering action. The traffickers depend on legitimate financial center and investment to make their ill-gotten gains appear clean. If banks refuse to accept deposits from shady men carrying suitcases filled with cash: if governments refuse investments from suspicious characters, the traffickers are stuck with worthless, dirty money.

International experts currently rank Thailand as among the best-known and most-used financial centers by more launderers. Traffickers prefer to exploit well-known, capitalistic and open societies to launder their proceeds. Decent societies which encourage investment are the targets of drug kingpins, both to sell their drugs and to launder their cash. It is no accident that nations such as the United States, Britain, Taiwan, and Thailand are the chief targets of such criminals.

Our welcome to investors must not be mistaken for weakness. Ruthless drug merchants profit through the suffering and other exploitation of our citizens. Their use of our economic system to further their ill-gotten gains and personal lives adds great insult to the very real injury they have inflicted. Our industrious and honest workers, executives and businesses have no need of their dirty money.

The government has acted wisely in moving cautiously on the anti-laundering bill. By gaining support from the private sector, it has made success of the measure more likely. It has balanced the honest citizen's need for economic privacy against society's demand to catch, stop and punish the drug trafficker. It may move us closer to the day that crime doesn't pay.

Vietnam

Human Rights Rally in Washington Criticized.

BK1505074095 Hanoi VNA in English 0628 GMT 15 May 95

[FBIS Transcribed Text] Hanoi VNA May 15 — The national daily NHAN DAN today ran an article criticizing a rally held in Washington on May 11 to mark the so-called 'Day of Human Rights for Vietnam'.

The paper denounce the speakers at the rally for their blatant distortion of the 'human rights' situation in Vietnam.

It describes such an event in the capital of the United States completely ridiculous. 'Because, in history, the United States provoked wars, violating human rights of many countries, including the Vietnam war which the former head of the Pentagon recently recognized as a serious mistake of himself and the Washington administration.'

The paper says :

'Vietnam has once and again, affirmed that the observation of human rights is first and foremost and essentially the responsibility and power of each country, and each nation. It cannot be done and judged by anyone else from the outside. Vietnam does not accept the use of 'human rights' problem to impose pressure on and intervene in its internal affairs,' the NHAN DAN says. 'While American press, congressmen and other politicians highly appreciate the achievements of Vietnam, [word indistinct] its current renovation process, the organization of 'Day of Human Rights for Vietnam' is an act running counter to progress in the process to normalization of the Vietnam-US Relations', the paper concludes.

U.S. Mission Arrives at 'Opportune Time'

BK1505121895 Hanoi Voice of Vietnam in English 1000 GMT 15 May 95

[Station commentary]

[FBIS Transcribed Text] A special presidential mission from the United States arrived in Vietnam on Monday for further talks on the MIA issue.

The delegation is jointly led by Under Secretary of Veterans Affairs Hershel Gober, Assistant Secretary of State for East Asia and the Pacific Winston Lord, and Deputy Assistant Secretary of Defense for POW/MIA Affairs James Wold.

The delegation is to have talks with a delegation from the Vietnamese Foreign Affairs, Defense Ministry, Interior Ministry, and the MIA Vietnam Office. Then Mr. Winston Lord will be received by Deputy Foreign Minister Tran Quang Co. It is expected that during the visit, the American presidential mission will be received by party leader Do Muoi and Prime Minister Vo Van Kiet.

The mission is here at an opportune time for normalizing relationship between the two countries. In early May, Prime Minister Vo Van Kiet said it is high time for the United States and Vietnam to normalize relations as well as their economic and commercial relations.

The United States cannot afford not to restore formal relations with Vietnam. Vietnam has gradually integrated into the international community and enjoyed closer relations with some Asian and Southeast Asian partners.

The red-carpet treatment given to party leader Do Muoi by Japan and South Korea showed that the two countries wanted to develop their relations with Vietnam. There is no reason why the United States should not establish a foothold in the Vietnam market. Meanwhile, U.S. businessmen also wanted Washington to normalize relations with Vietnam. The chairman of the U.S. Chamber of Commerce in Hong Kong said [word indistinct] to establish full relations with Vietnam would help U.S. businesses. He called on the government to normalize relations with Vietnam to create conditions for U.S. goods to enter the Vietnam market.

Mr. Winston Lord and his delegation will stay in Vietnam for three days and they will see for themselves the good-will attitude of the Vietnamese people in their relations with the United States.

Phan Van Khai Speaks at Assembly Session

BK1405151495 Hanoi NHAN DAN in Vietnamese 20 Apr 95 pp 1, 3

[Speech by Deputy Prime Minister Phan Van Khai at the seventh session of the Ninth National Assembly in Hanoi — date not given]

[FBIS Translated Text] The National Assembly has spent two days discussing various government reports on the situation regarding the implementation of tasks in 1994 and some major problems encountered while directing the implementation of those socioeconomic tasks for 1995 as set forth in a resolution of the National Assembly's sixth session.

Generally speaking, the National Assembly has demonstrated great unanimity in its assessment of the socioeconomic situation and those major policies and approaches for directing work implementation, which have been presented by the government before the National Assembly.

On behalf of the government, I would like to express my sincere gratitude to National Assembly deputies for having presented your views frankly with a high sense of responsibility. It is hoped that the government and the administration at various levels will continue to receive strong and effective backing from National Assembly deputies, from National Assembly delegations, as well as from the National Assembly Standing Committee in directing the implementation of various heavy tasks in 1995.

Just as what has been said by many deputies, aside from its difficulties and its very significant accomplishments, our country is still experiencing socioeconomic difficulties due to instability. The operating management skills of the government and of the administration at various levels have, in certain aspects, not yet caught up with the process of renovation and development. At times, the government and the administration at various levels have appeared to be not sensitive enough in evaluating the situation and in using macromanagement tools to manage the market economy. Numerous negative phenomena in the state apparatus and in society have not yet been effectively averted and have, in certain aspects, tended to develop. These are principal problems which will have a direct effect on the implementation of our major tasks in 1995 and in the ensuing years and on which efforts must be focused to overcome.

The National Assembly has heard Cabinet Ministers Ho Te, Nguyen Cong Tan, and Nguyen Canh Dinh, and Tran Xuan Gia, the deputy director of the State Planning Commission, present a number of specific issues questioned by deputies. The prime minister has also tasked various relevant ministries and sectors with answering in writing other questions raised by deputies.

Of those questions raised by deputies, there were some relating to important issues. As relevant ministries need time to study these questions before they can come up with uniform and effective approaches, no substantive answers will be expected at this assembly session. The government welcomes and seriously takes note of these questions. It will devise a plan to direct relevant sectors to promptly study these questions and then report the results to the National Assembly at its next session.

Delegated by the prime minister, I would like to add something to those issues already raised by deputies:

1. As for the need to ensure safety for food supply nationwide and for price stabilization.

a. Ensuring the rice growing area.

As an agricultural country with a large population, Vietnam considers as a matter of vital importance the need to carry out grain production to stabilize its socioeconomic situation, not merely for the time being but also for the long run. This is a problem of not only our country but also of other areas in the world. Grain production cannot earn us a good fortune. But if we fail to ensure enough food grain for our 80 million people by the turn of this century and for our some 100 million-plus people at the beginning of the 21st century, we will not be able to enjoy the stability needed for development.

Given its responsibility toward the present and long-term well-being of the country, the government believes that maintaining the current rice-growing area must be regarded as a national policy. I ask that the National Assembly support the government policy to avert the alarming state of dwindling area for water rice as seen over the past recent years.

Raising this issue again does not mean retaining agriculture in the old mechanism that advocated producing food grain at all costs. However, changing the crop pattern for water rice areas must be carefully planned without having this done at will. To protect the area for water rice, the government must devise harmonious policies and measures to ensure the well-being of rice growers.

Demand for land for capital construction is especially high since our country is now at the beginning of the industrialization and urbanization processes. More industrial and residential zones are necessary, many infrastructure establishments need to be built and upgraded, and foreign and domestic investment are coming in, thus boosting the demand for more land. The issue is which land can we use? Over 70 percent of our territory is hills and mountains, of which about 5-6 million hectares are low hills and sandy plains. We should strive to direct industrial zones and major construction projects to these lands. The state has conducted and will continue to conduct policies to encourage investors to use these types of land, but that is not enough. If we let investors have their choice, they will naturally choose their bases near the urban areas and close to major transport junctions. We have actually seen construction projects using thousands of hectares of water-rice land of Hanoi's outlying districts, while the development of the new industrial zone in Soc Son is sluggish. To correct the situation, the prime minister has brought about swift economic and administrative measures to fulfill our strategic policy in this matter. The projects that really need to utilize rice fields should go through the careful scrutiny of and approval by the prime minister.

b. Regulation of domestic food grain market and rice price.

The price of grains and other food staples is an important factor in the stabilization of our people's livelihood because food comprises 60 percent of our total spending. During 1992-93, food prices increased at a slower rate than those of industrial products and services, thus putting farmers in a vulnerable situation. In early 1994, as a result of bumper harvests in both the north and south, food prices continued to plunge. At that time, the government carried out a number of emergency measures such as increasing national food reserves and spending over 50 billion dong to subsidize interest loans in order to encourage food trading companies to purchase more rice for their export stock. The measures were to prevent the rice price in the Mekong River Delta region from falling under 1,100 dong per kilogram. Sometime after that, as the world rice price went up, our domestic rice price also increased slightly.

At the end of 1994, provinces in both the Mekong River Delta and the northern region suffered bad harvests. There was an imbalance between supply and demand in the north, not only in quantity of rice but also in rice types, caused by the loss of over one million tonnes of the 203d rice species which was the favorite here. To alleviate the situation, the government carried out some measures to regulate the rice market including dispensing rice reserves, transporting more rice from the south, limiting official rice exports, banning unofficial rice exports, tax exemptions for local rice traders, and removing all obstacles in the domestic circulation of rice and other food staples.

The measures were successful in restraining food price rises around and after the Tet festival. But food prices still increased by 39 percent in 1994 and continued to increase in the first quarter of 1995. This is a serious shortcoming for which the government acknowledges full responsibility. However, the main problem that needs urgent handling is the flawed structure of the national food distribution system, which failed to respond to circulation and regulation demands of food staples even in times of favorable weather. In years without natural disasters, we had to transport 100,000-200,000 tonnes of rice from south to north. In years with bad harvests as in 1991, we had to bring to the north 500,000 tonnes of rice, and this year even more than that amount. In the meantime, state food trading companies, centrally- and locally-owned companies alike, prefer to put their effort in exporting rice and overlook rice trading in the domestic market.

In the time to come, we have to reorganize the food staples trading network from the central level of the Food Trading General Corporation to the companies of provinces and cities, especially those in the north. The relations between national reserves and reserves for circulation should be clearly determined, and the means of food transport should be readily available at government-regulated transport fees in order to effectively control the food staples supply-demand balance in all circumstances.

Concerning this matter, however, the responsibility of some local administrations at various levels should be scrutinized. With the largest ever amount of 500,000 tonnes of rice transported from south to north, there was no reason for the north to be short of rice. But as some localities did not recognize food regulation as their responsibility and did not thoroughly and properly conduct the purchase and transportation of rice as instructed by the central government, which led to the illogical situation of consumers suffering food shortages while rice stocks piled up.

An even more serious issue is the disregard of the government order banning unofficial and illegal rice and pig exports. While the government was striving to regulate the rice supply between north and south, some state economic establishments and even state agencies took advantage of the opportunity to export rice in violation of the law and moral principles. The illegal export of rice and pigs is still going on now in some localities and the practice is growing as the prices rise. If this situation is not halted by resolute measures, the demand-supply balance of food staples can never be maintained however good harvests are. In the first three months of 1995, 121 ships were given permission to carry rice to the north. They had registered to enter Haiphong Port, but 22 never made it to the port. Out of 10 ships detained for violations of the law, three belong to private companies and seven were authorized by state agencies — including local, state companies and military units. So far we have not obtained exact figures concerning the amount of rice illegally exported, but it is estimated that about 100,000 tonnes have made their way both by sea and by inland borders. We do not discriminate against the Chinese market: By 15 April this year, we have officially exported to China 204,000 tonnes, or nearly 30 percent of our total rice exports. The issue here is the violation of the law, national order, and discipline. It should be tackled no matter to whom the rice has been sold. Illegally exported goods should be confiscated, and owners of the goods and means of transport should be made liable to the law.

The transport of rice from south to north should follow strict itineraries with designated departure and arrival points, and should be controlled properly by responsible agencies. The market management force, border defense troops, customs, and the localities adjacent to national borders should strictly implement the regulations issued by the prime minister in following, intercepting, and handling of offenses regardless of whom the perpetrators might be. People responsible for law enforcement, if caught conspiring or assisting the smugglers, should receive even harsher punishment.

c. In addition to the regulation of food distribution and rice prices, we need to carry out measures to control inflation, as presented in the 28 March 1995 government report to the National Assembly. I would like to add that foreign currencies are entering our country from many sources: from exports and services to foreigners, direct foreign investment, and remission of overseas Vietnamese. These sources will grow in the time to come. In order to strengthen our ability to control foreign currencies and to avoid the unjustifiable rise of the Vietnamese dong in exchange rates, the State Bank should increase the amount of Vietnamese money available to be bought and exchanged for foreign currencies. The action will inevitably make the money-commodity imbalance in the domestic market more serious and will cause more pressure on prices. A major measure to restore the money-commodity balance and to stabilize prices is to use foreign currencies in a carefully calculated import program with the focal point on imported capital goods for production, especially export-oriented production industries. The program will support the development of our ability to repay debts and will satisfy the demands of domestic consumers from various strata by the application of an appropriate tax policy.

In that spirit, the government has adopted a policy of granting concessional loans to encourage the import of materials and equipment for all economic sectors to increase production. We cannot eliminate the difference in loan interest in Vietnamese dong and foreign currencies, but it is possible to introduce measures to prevent people from taking advantage of concessional interest loans for illegitimate profits. In the case of materials and common consumers goods that we cannot produce sufficiently — cement, sugar, paper, and so forth — we must develop plans to import them in an active and timely way to stop unnecessary supply shortages. With regard to luxury and durable items — cars, motorcycles, interior ornaments, and so on — we must pay attention to the increasing social demand for these items while regulating supply via taxation policies.

2. About the implementation of planning for budget collection and spending in 1995.

a. The allocation of planning on budget collection and spending.

To implement the resolution of the sixth National Assembly session, the government has presented a plan to the National Assembly Standing Committee on budget collection and spending for all sectors and localities. Since the beginning of this year, however, many localities have asked to adjust their allocation for more spending and less collection. This issue needs to be dealt with conclusively; otherwise it will be difficult to ensure the active implementation of budget planning and to control our budget deficit.

Of the state budget revenue for 1995, 75 percent comes from the six major cities and provinces of Hanoi, Haiphong, Quang Nam-Danang, Ba Ria-Vung Tau, Dong Nai, and Ho Chi Minh City. Hanoi and Ho Chi Minh City contribute 50 percent of state revenue. These percentages reflect the level of economic development; the advantages of socioeconomic and geographical situation; and the result of many years of investment in these localities from central and local budgets, different economic sectors, and foreign investors. It is necessary to realize that the revenue collected in these localities also comes from indirect taxes paid by all consumers in the entire nation. Budget spending in these six cities and provinces accounts for 31 percent of total budget spending for all localities. It is less than their revenue collection percentage, but per capita budget spending in these cities and provinces is higher than other localities if we understand that these cities and provinces account for only 17.9 percent of the national population. This is reasonable because on the one hand, these places must contribute to the central budget to cover national spending and help other localities facing hardships, while on the other hand they require a certain amount of spending to exploit their development advantages to generate more revenue for the whole country.

The 15 mountainous and central provinces have 15.2 percent of the national population but their budget collection is only 4.1 percent of the total. The central budget must help these provinces overcome difficulties and improve themselves. Therefore, these provinces receive 19.5 percent of total budget spending for all localities; 35 percent of the capital reserved for special purpose national programs; and a higher rate of allocation for education, medical, and cultural services. These outlays are still limited compared to the demand in these provinces, but the aforementioned figures prove the government is paying regular attention to the implementation of party and state resolutions on economic, cultural, and social development in mountainous and ethnic areas.

Under the current legal framework, the allocation of planning on budget collection and spending in 1995 has been formed in a fair and reasonable manner. Therefore, the government asks the National Assembly to support the government in a policy of not discussing the issue of budget reallocation. All sectors and localities must strive to achieve their given targets in budget collection and spending. If they cannot fulfill their collection plan, they must reduce spending accordingly. If they overfulfill their collection plan, they can keep most of the extra for local development investment.

The government is directing the formation of a national finance policy and perfecting a state budget law to present to the National Assembly. The new policy and law will fundamentally facilitate state budget allocation in the spirit of stabilizing revenue and expenses to develop the activism and creativity of local authorities.

There are still loopholes in our taxation policy that need to be renovated as recommended by the government report. The government will speed the implementation of renovation steps and the National Assembly will receive a report in due time. Regarding the tax collection shortfall, the key to the solution does not rest with the central agencies but mainly with the localities. Localities with good leadership and effective coordination between sectors and forces will achieve higher results than others. If we leave the task to the tax agencies alone the situation will deteriorate and negativity will develop. Irregularities will occur in more tax agencies and will involve more employees of the tax sector. I recommend that National Assembly deputies in each locality help supervise and assist the people's committees of provinces and cities in uncovering the reasons behind low and inaccurate tax collection, and from there work out measures to rectify the grave situation of collection shortfall that many deputies have revealed.

b. Practice of thrift and frugal budget spending.

In this domain, the National Assembly has issued its resolutions, the government has produced many decisions, and the party Secretariat has recently issued concrete directives on the practice of thrift and frugal spending in agencies and organizations of the state, party, and mass organizations. The current main objectives are to implement these directives, supervise their implementation, and handle breaches.

To be successful in these objectives, we must carry out the following tasks:

First, to review the authority to convene conferences, tighten expenditure procedures, and cut all unreasonable allowances and unnecessary donations such as pens and diaries. According to Ministry of Finance reports, spending on conferences and ceremonies by both central and local administrations in 1994 using national budget funds was 500 billion dong, 1.5 times higher than expenditures for Project 327 [a reforestation project]. The amount does not include expenditures from other sources, such as nonbudget fund raising and so forth. If we do not halt this trend, budget spending in this area will be higher in 1995 because of the many important celebrations this year. Therefore, spending cuts in this area should be clearly indicated in the savings and thrift plans of sectors and localities.

Second, this year we will temporarily suspend all expenditures on building offices and purchasing small cars using national budget funds. Sectors and localities should make the necessary adjustments to solve their demand internally. Sectors and localities requesting funds for these types of expenditures will be judged to have failed to abide by the resolutions of the National Assembly and the government, and the requests will be turned down. Breaches of this decision will be prosecuted and the expenditures will not be liquidated.

Third, we will strictly implement the new regulations on capital construction investments funded by the national budget. This will be done in all phases of projects, starting with planning, assessment, approval, bidding, construction, evaluation, and liquidation, with careful scrutiny to rule out wasteful spending and negativity at each step. This will be the responsibility of ministers and the chairmen of provinces and cities concerned.

I hope the National Assembly deputies will treat the task of supervising local administrations in practicing thrift and frugal spending as an important part of your duties.

3. Order and discipline in the state apparatus and in society.

As this is an important and very complex issue that involves many things, I will only discuss some urgent matters where concentrated efforts are needed to resolve them in the period ahead.

a. Order and discipline in the state apparatus:

In view of the current situation, the government believes that promptly restoring public order and discipline within the state apparatus is now the first and most important thing. It is also an important prerequisite for further renovating the state administrative system.

We totally agree with the assessment of the National Assembly deputies that there are many signs of socioeconomic policies being implemented at will and that this is a breeding ground for negativism. In the economic renovation, it is true that we do not have an adequate and uniform legal system and socioeconomic policies yet. This has created considerable difficulties and embarrassment in providing guidance for work implementation. We have in the past years made many improvements, though we have failed to ensure the tight implementation of work and appropriate progress. Among the issues brought up by the National Assembly deputies with the government, the government needs to resolve those involving macromanagement policies. There are also other issues that fall under the jurisdiction of local administrations. A number of national policies and programs which the prime minister has placed under the full jurisdiction and responsibility of local administrations continue to be intentionally manipulated for other purposes. The responsibility for this wrongdoing rests first with the chairmen of the relevant province people's committees. The government must overcome its weaknesses in its organization of, guidance for, and supervision over work implementation. It must not give high regard or protect those who breach the law or act against policies and lines. Legal action taken in such cases must be based on concrete evidence. I ask that you, deputies and National Assembly delegations, come up with plans and measures to strengthen your supervision of law enforcement over administrative organs at various levels. Relevant National Assembly delegations or individual deputies must promptly report violations of the law or negative phenomena where they are found to the prime minister or the chief justice of the Supreme People's Organ of Control.

It is believed what is decisive for the progress of the renovation and development in the period ahead is reestablishing order and discipline within the state apparatus, and promptly detecting and sternly dealing with civil servants who have been found guilty to gradually purify the state apparatus.

b. Maintaining traffic order and safety, particularly urban traffic and road traffic.

With current economic development trends, the means of transportation have increased markedly over the years. Difficulties continue to plague the improvement, upgrading, and development of road networks, causing traffic congestion, particularly in Hanoi and Ho Chi Minh City, and dangerous traffic accidents. In 1994 alone, 13,760 traffic accidents were registered nationwide, leaving 14,174 people dead or injured. Compared to 1993, the number of traffic accidents increased by 12.4 percent. The number of serious cases was up 1.5 fold, while the death toll was up by 8.4 percent and the number injured by 10.3 percent. Worthy of note is the number of accidents in 1994, where only 10 percent were listed as unexpected accidents, while nearly 60 percent were caused by speeding or reckless overtaking. Drunk driving accounted for 12 percent of the total. This is a very grave and pressing issue. The prime minister has decided that there must be continued efforts to further resolve this in 1995. The quality of roads, bridges, traffic signs, traffic control facilities, and urban public transportation cannot be overcome immediately. However, there are many things within the state management that we can improve straightaway so as to gradually reestablish traffic order and safety, and to protect the people's lives and property. In 1995, we must revise various legal documents on this and conduct widespread propaganda to initiate a mass movement in the maintenance of traffic order and safety. We must strive to mobilize the efforts of various sectors and localities to unfailingly bring about a radical change in two key issues, namely urban and road traffic.

Regarding municipal traffic, the major issue is the clearance of encroachers, who are turning sidewalks and roads into markets, parking lots, trading places, or even setting up houses and other types of structures. At major road junctions we have to quickly step up clearance of illegal land-encroachment to make room for road extension as planned, clearly mark the lanes, and increase the number of traffic light and other signals to help improve traffic circulation. Monetary fines and other regulations for traffic infringements should be clearly defined and properly executed. All infringements should be handled regardless of the type of vehicle and of who the owners are, to avoid the situation where only motor-powered vehicles are fined while the carelessness of nonmechanical vehicle drivers is forgiven. We should apply effective measures to immediately stop illegal motorbike races and other dangerous driving practices of swerving, pulling, pushing, riding neck and neck, and so forth. In addition to these measures, we should also speed up plans to develop public road systems as well as to select convenient sites for markets and trading places for the people. We should increase investment in a public transport system and have an appropriate subsidy policy to encourage its development as well as the use of these public transport means as a gradual replacement for personal transport facilities in the future. In 1995, we will strive for preliminary changes in this area, first in Hanoi and Ho Chi Minh City.

Regarding the public road system, the prime issue is the rectification of the management of the means of transport and vehicle owners. We will have to unify the regulations on the registration of vehicles, the issuance of driving permits, and the inspection of safety facilities of all mechanical vehicles using public roads. All types of transport that are not maintained up to standard and all users who do not possess the necessary skills should be banned from public roads. The prime minister will issue directives to the Ministry of Communications and Transportation, the Ministry of the Interior, and the Ministry of National Defense to direct uniformed state management on all means of transport, civilian and military alike, to ensure proper enforcement of the law. The Ministry of National Defense should have a policy to regularly educate and examine the combatants assigned to the task of overseeing the means of transport, to make sure that they are exemplary in their observation of the law and are not given exemptions.

Localities should pay appropriate attention to the task of preventing people from forming makeshift markets and other trading places, or using public roads as their grain drying space, because the practice seriously obstructs traffic, especially on busy roads.

c. Regarding Social Order and Discipline in Municipalities.

In the past five years, the government has issued many documents on city management tasks. To date, most of the cities and municipal towns have had their master plans approved. The prime minister has also studied the masterplans of some major localities such as Hanoi-Haiphong-Quang Ninh; Ho Chi Minh City-Dong Nai-Ba Ria-Vung Tau; Hue-Danang-Dung Quat, and many other industrial regions. The municipal management situation at present, however, still shows deficiencies, even in large cities and important industrial zones. Violations to regulations and disorderly management practices are still rampant. The infrastructure facilities, especially underground ones, are neither adequate nor built according to plans. Environmental hygiene is not observed and standards of architectural aesthetics are poor; and these shortcomings will lead to consequences that later on will cost us huge amounts of time and money. Management of municipal land and housing is the most critical issue. Transactions for land and houses in cities and encroachment are taking place at a frenzied pace and are getting beyond the control of local authorities.

The prime minister has guided the application of measures to improve urban management in general and urban land management in particular. Nonetheless, there are problems that need to be resolved through legal documents based on new real life situations to create the groundwork for restoring order on the urban land management front. We believe that given the very particular nature of urban land, we must formulate separate urban land management laws and regulations based on consistent and well-defined policies. The absence of a proper legal system has led to the arbitrary application of a series of urban land management regulations governing land rental, land use right transfer, land tax, relocation compensations, registration fees, and so forth, thereby causing a very serious waste of land, budget revenue collection shortfalls, and negativism in state management. This unhealthy situation also leads to land disputes, which are very difficult to resolve once they have broken out. It can be said that economical land use must become a top priority of our national policy, and as such, the use of urban land to support capital construction must be strictly controlled to meet the demands of the market-oriented economy and the ongoing urbanization and industrialization process.

4. Regarding a number of other major problems raised by the National Assembly deputies, the Government has tried different approaches, but no final solutions have been reached yet. These include the "policy toward individuals who have fought on the southern battlefront" and the issues relating to the houses and property of people who had to be subjected to reeducation, payment of loans borrowed from the people to support the two wars of resistance, urban land, and so forth. These problems are very complicated because they involve different policies. Separate solutions will lead to more difficult problems. Some of the aforementioned issues involve prewar remuneration policies, and as such, historical conditions must be taken into consideration. We cannot resolve all of the aforementioned problems at one time but can only consider the cases of those individuals who face real difficulties in making ends meet. There are problems that need to be classified before they can be resolved based on well-defined measures to settle complaints and disputes. It is recommended that the National Assembly allow the government more time to prepare reports to be submitted to its next session.

Regarding the remuneration policies toward village and ward cadres as well as hamlet and village chiefs, the comrade minister chief of the Government Cadre Organization Department has responded in writing to the deputies' questions. Steps for implementation are already in place. Nonetheless, as already reported to the National Assembly, since early this year, it has been very difficult to achieve balance between state revenue collection and spending. Besides, the price index has increased since late 1994 and early 1995. Therefore, the government still cannot apply a new allowance system because it involves as much as 315 billion dong. The new measure will be implemented in the future.

It is the policy of the government to clarify issues raised by the National Assembly deputies by presenting a clear picture of the situation and practical means and by acknowledging its responsibility in a straightforward manner. At the same time, the government will make a thorough analysis of the issues that fall under the responsibilities and power of the local governments and economic organizations and units under the management of different sectors and then request the National Assembly, National Assembly delegations, and deputies to base themselves on their positions in the localities, sectors, and mass societies to set forth orientations and map out plans to satisfactorily supervise and assist executive organs in directing the implementation of the National Assembly's resolution on the tasks for 1995.

Thank you, National Assembly deputies and friends present at this session.

Australia

Gareth Evans Welcomes Extension of NPT

BK1205063095 Melbourne Radio Australia in English 0500 GMT 12 May 95

[FBIS Transcribed Text] Australia says the indefinite extension of the Nuclear Nonproliferation Treaty achieves the major security and foreign policy objective. The foreign minister, Gareth Evans, says the decision by the United Nations conference in New York making the treaty permanent is the best encouragement for arms reduction by nuclear weapons states. He repeated his appeal to the French president-elect, Jacques Chirac, to continue the suspension of tests in the South Pacific.

Australia's ambassador to the UN, Richard Butler, says the prospect of France resuming nuclear testing is something to be regretted deeply. Our New York correspondent, Phillip Lasker, reports:

[Begin recording] [Lasker] Ambassador Butler says today's decision by an international conference to extend the Nuclear Nonproliferation Treaty indefinitely will make the world a safer place. He reminded France of its obligation arising from the conference.

[Butler] France has made clear pledge in this context of this conference that when we complete a nuclear test ban treaty in 1996 they will join us.

[Lasker] He also dismissed criticism the treaty did not force nuclear powers to disarm, claiming it was unrealistic to impose Pacific disarmament targets on nuclear states, but an obligation to disarm continue to be a major feature of the treaty. [end recording]

The New Zealand disarmament minister, Doug Graham, has also welcomed the indefinite extension of the Nuclear Nonproliferation Treaty. He says it is especially pleasing that the indefinite extension backed by New Zealand was adopted without a vote at the UN meeting. Mr. Graham says it sent a strong message to those countries which might have nuclear ambitions that nuclear weapons are unacceptable. He says the declaration also endorses the value of regional arrangements such as South Pacific nuclear-free zone.

UN Envoy Views Indefinite NPT Extension

BK1205105995 Melbourne Radio Australia in English 0630 GMT 12 May 95

[From the "International Report" program]

[FBIS Transcribed Text] Australia's ambassador to the United Nations, Richard Butler, says the indefinite extension of the Nuclear Nonproliferation Treaty [NPT] doesn't let the major nuclear powers off the hook. After four weeks of debate and heavy lobbying by the Unites States and its allies, including Australia, an international conference of the NPT signatories today agreed to make the treaty permanent. The decision has been criticized by environmental groups who claim the agreement doesn't force the nuclear powers to change their behavior by outlining a timetable for disarmament. But Richard Butler says the treaty continues to impose an obligation on the nuclear powers to end nuclear testing and to disarm. He told Phillip Lasker that the decision is in the best interests of Australia's security.

[Begin recording] [Butler] We live in a part of the world that is called in the jargon, proliferation sensitive, in other words, India and Pakistan, where there is some nuclear competition and not that far from Australia.

[Lasker] There is also North Korea.

[Butler] If we didn't have a secure nonproliferation regime like this, you can think about the country in our region who because of their nervousness might start to think the unthinkable. So that the first basic point, a predictable treaty system to prevent the spread of nuclear weapon seed absolutely directly into the protection of Australia's security.

[Lasker] The critics claim that this doesn't bind the nuclear powers, the major nuclear powers, to any sort of timetable to disarm. There is no hard and fast commitments given in this treaty.

[Butler] This treaty is the only piece of international law that states as the norm, the desirable state of affairs, that the world should be without nuclear weapon; and today at this conference, when we decided that that treaty should have an indefinite life, that was agreed to by the nuclear weapon states together with the package that was done on the middle east, which is another highly proliferation sensitive area.

And in the four weeks in which we negotiated this, it was made clear over and over again this treaty and these were the words that we used — hold the vision of a world free of nuclear weapons. Now, the nuclear weapon states have a major responsibility to bring that about through disarmament negotiations. They weren't able to do during the Cold War, they can now, they are getting on with it on the point of specific commitment and targets and timetable. There is no point in peeing into a hurricane. How can you tell the United States and Russia you must do X by next March? I submit with the greatest difficulty, in fact, it is an illusion to try to do that.

[Lasker] But this is a treaty that was enforced at a time when Israel, India, and Pakistan have presumably developed nuclear weapons and a treaty which they refused to sign.

[Butler] Yeah, and that's the point. What do they have in common? That they are not members of this treaty. I mean it is the most obvious point almost like an advertisement to make about this product. We have agreed to call for their attention. The plain fact of what we have done here today and to say this is where the world is at and it's high time you join it.

[Lasker] What are you going to say to France then, which is considering testing nuclear weapons once again in our backyard?

[Butler] Well, we have already indicated that we don't think they should do that as have many other countries in this conference. This is something deeply to be regretted. [end recording]

Evans Seeks Full Partnership With East Asia

LD0505130695 Melbourne Radio Australia in English 1100 GMT 5 May 95

[FBIS Transcribed Text] Australia says it's ready to move from comprehensive engagement with Asia to a full partnership. The foreign minister, Gareth Evans, outlined the partnership policy after a conference in Canberra of all Australia's ambassadors in northeast and southeast Asia. Senator Evans said partnership with east Asia should include strengthened security dialogue and cooperation. He said the United States would remain strategically engaged in east Asia. But the strategic affairs of the region would increasingly be determined by east Asian countries themselves. Australia's foreign minister said China's sheer size and growing economic strength makes it a key player and an important determinant in regional security. Senator Evans said the regional security environment was nonthreatening but there were elements of unpredictability.

Support for NT's EAEG Participation Viewed

BK1505062295 Melbourne Radio Australia in English 0500 GMT 15 May 95

[FBIS Transcribed Text] Australia's ambassadors to four Southeast Asian countries say there is widespread support for the Northern Territory's [NT] participation in the East ASEAN Growth Area, EAGA. Lorraine Davis reports the ambassadors to Indonesia, the Philippines, Malaysia, and Brunei have briefed business people in Darwin.

[Begin Davis recording] EAGA includes the southern Philippines, eastern Indonesia, and Malaysia, and Brunei. At the EAGA meeting last year, it was agreed that the territory could participate in the region's development. Talks to formalize the arrangements are continuing. The ambassador to the Philippines, Dick Smith, says it is a way of maximizing Australia's opportunity for linking chambers of commerce and by concentrating on particular sector. Brunei is concentrating on regional transport links and the Philippines is interested in developing fishing technology. The ambassadors say they are better informed about the territory's potential following a three-day visit.

Chinese Nuclear Test 'Deeply Disappointing'

LD1505092195 Melbourne Radio Australia in English 0900 GMT 15 May 95

[FBIS Transcribed Excerpt] International condemnation of the Chinese nuclear test has been swift. Among the first to react was Australia, which described the Chinese action as deeply disappointing. In a statement, the foreign minister, Gareth Evans, said China had once again shown its disregard for international opposition to nuclear testing. He said China's continued testing was out of step with the current negotiations aimed at securing a comprehensive test ban treaty.

Foreign Aid Up 1.8 Percent, $83 Million

BK1005051795 Melbourne Radio Australia in English 0100 GMT 9 May 95

[FBIS Transcribed Text] Australia's largest aid agency, Community Aid Abroad, says the federal government's latest budget recognizes Australia's foreign aid obligations. Head of the agency's board, Julie Henderson, says it is pleasing to see an $83 million [Australian dollars] increase in this year's aid budget.

Foreign aid has risen 1.8 percent to Australian $1,560 million. Most of it will go to the Asia-Pacific region. Papua New Guinea gets 35 percent, the Pacific 13 percent, and Southeast Asia 29 percent.

Treasurer Ralph Willis also introduced a new national superannuation scheme in an effort to increase the country's private and public sector savings. The treasurer told Parliament that Australia's savings through superannuation would increase tenfold to almost Australian $2,000 billion or 4 percent of GDP by the year 2020. Mr. Willis said this would decrease Australia's reliance on foreign borrowings, help maintain investment and employment, and provide Australians with better retirement incomes. He said that for the generation about to join the workforce, retirement incomes would be double the government-provided old age pension.

Issues Related to Japanese Aum Sect Reported

Testing of Sarin Confirmed

BK1105025195 Melbourne Radio Australia in English 0100 GMT 11 May 95

[FBIS Transcribed Text] The Australian justice minister, Duncan Kerr, says members of a Japanese sect tested the nerve gas sarin on a remote West Australia property before the March attack on Tokyo's subway. He says tests on wool and soil samples taken from the Banjawarn Station, 700 km northeast of Perth, had confirmed traces of the chemical.

The Aum Supreme Truth, cult which owned the property for about a year, is suspected of involvement in the Tokyo attack in which 12 people died and thousands were injured. Mr. Kerr said Japanese police had arrived in Australia to join the investigation. He said sarin residue had been found in and near a group of about 30 dead sheep on the station.

[Begin Kerr recording] Obviously, our evidence is being passed back to Japan, and I mean it is certainly not for me to make linkages that might spring to mind, but clearly when sarin as a gas that is used in that horrific attack in Tokyo subway which killed 12 persons, and when we find Australia residues which appeared to be connected with testing of that gas, then obviously it is the matter for the Japanese authorities, who are going to treat very seriously. We are, too. We also have a public health interest — where the sheep were certainly has to be decontaminated. I am advised that there is virtually no public health risk. [end recording]

Japanese Investigate Evidence

LD1105074395 Melbourne Radio Australia in English 0700 GMT 11 May 95

[FBIS Transcribed Text] Japanese police have arrived in Australia to investigate evidence that the nerve gas used in the Tokyo subway attack was tested on a remote sheep station in the west of the country. Australian authorities say tests have revealed traces of sarin on the property once owned by the Japanese sect Aum Supreme Truth. Japanese police suspect the group carried out the subway attack in March, in which 12 people died and thousands were injured.

Australian Justice Minister Duncan Kerr says federal police carried out an extensive search of (Banjuwan) station, 700 km northwest of Perth, after the attack. Mr. Kerr says they took samples from about 30 dead sheep:

[Begin Kerr recording] That's required very, very sophisticated sampling techniques, indeed bringing in some materials to enable that to happen from overseas. What they have found is a substance called methyl phosphonic acid which occurs when sarin breaks down. There are only very minute residue traces and very sophisticated laboratory techniques had to be used to identify them. The police are now back on the property and the Japanese investigators, of course, have also been called in and Japanese police are in Australia also. [end recording]

Members' Extradition Ruled Out

BK1105085095 Melbourne Radio Australia in English 0500 GMT 11 May 95

[FBIS Transcribed Text] Australian authorities have ruled out trying to extradite members of a Japanese sect link to the discovery of sarin gas on a remote sheep station in Western Australia. Traces of the gas used in the Tokyo subway attack have been found in the remains of 24 sheep on Benjawarn Station, northeast of Perth.

Australian Federal Police say circumstantial evidence links the gas to the Aum Supreme Truth sect, but a search at the station is continuing to try to find more concrete evidence. They say if that evidence is found the group could be charged under Australia's Foreign Incursion and Recruitment Act for engaging in activities which endanger residents of a foreign country. However, Australian Federation Police Assistance Commissioner Alan Mills says it is more likely the group would be charged by Japanese police.

New Zealand

French Envoy on Future French Nuclear Tests

BK1105035595 Hong Kong AFP in English 0312 GMT 11 May 95

[FBIS Transcribed Text] Wellington, May 11 (AFP) — A resumption of French nuclear tests in the South Pacific should not be seen as an unfriendly act, French Ambassador Jaques Le Blanc told the New Zealand Herald.

The remarks, reported Thursday, have already sparked angry reaction from opposition politicians.

The election this week of Jacques Chirac as the new president of France has raised speculation testing will resume in French Polynesia.

Le Blanc told the paper that France would like to avoid any problems with New Zealand.

But although the decision had not yet been made, France had to continue to develop handier and cleaner nuclear weapons to protect itself.

"We will try on our side to do everything to avoid any major problems between our two countries should the resumption be decided again — and it is up to one man to decide," Le Blanc said.

"The president is conducting the foreign policy of France and I am just here to help him understand the situation."

Backbench opposition Labour MP Mark Burton said Le Blanc was out of touch with reality.

"Ambassador Le Blanc's comments fail to recognise or respect the very depth of feeling and concern of New Zealanders on this issue, clearly expressed over many years," Burton said in a statement.

"For the ambassador to try and justify such tests because of France's alleged need to develop 'handier and cleaner' nuclear weapons of mass destruction, with such sanitised language, is to attempt to defend the indefensible."

Opposition Alliance Party spokesman Keith Locke also rejected the French ambassador's reasoning.

"Surely he knows New Zealanders are very angry at the prospect of any testing in South Pacific. We totally reject Le Blanc's reasons for having tests — to develop better nuclear weapons," Locke said.

Douglas Graham Interviewed on Nuclear Testing

BK1205110995 Melbourne Radio Australia in English 0630 GMT 12 May 95

[From the "International Report" program]

[FBIS Transcribed Text] Staying with nuclear issues and it is looking increasingly likely that the change of president in France will see a resumption of nuclear testing in the South Pacific. French Prime Minister Edouard Balladur, who has resigned his post in keeping with political tradition, says the current international moratorium on test is hurting his country more than Britain, Russia, and the United States. Outgoing President Francois Mitterrand had vetoed previous moves to resume tests, but his successor Jacques Chirac is less likely to oppose such a move. This has been viewed with particular alarm in New Zealand. Michael Kerry is speaking to New Zealand's disarmament minister, Douglas Graham, about the chances of dissuading France from a new round of testing.

[Begin recording] [Graham] I don't think that they've made up their mind one way or the other. President Chirac obviously is going to seek some advice, presumably mainly from the military and then may be decision whether to resume testing or not.

[Kerry] Has your government made its views known to the new president or you just presumed that they will be well aware of what those views are?

[Graham] Well, I have met [words indistinct] to the ambassador here in Wellington, and the prime minister was in Europe for V-E [Victory in Europe] celebrations the other day and spoke to President Chirac and made it clear our opposition to any further testing.

[Kerry] Would you expect that the governments in the region would be consulted before any decision was made or before any test resumed?

[Graham] No.

[Kerry] You don't think that that's in keeping with French history.

[Graham] No. I think, in keeping with French history that they don't tell anybody before they test. [laughing] And that is likely to be the case again.

[Kerry] One of the other lessons of the previous tests might be that the suggested country aren't swayed by any degree of international criticism. Is there any reason to believe that might have changed?

[Graham] No.

[Kerry] So French does resume its nuclear program, whatever news might be available to you to try to put pressure on the country?

[Graham] Well, if they resume testing they need to be under no illusion whatever about the attitude of the New Zealand Government. We protest with every tests whoever conducts them and we have done so for Chinese and we will again do it again with the French if they testing again in Mururoa. What else we might do will have to be a matter for cabinet to consider if and when testing resumes.

[Kerry] Looking at the dramatic changes in the international climate for last five year, do you see any forums that might be open to you now but weren't open then, or any means of placing pressure that weren't available then?

[Graham] I think the Nonproliferation Treaty Review Conference which has just concluded in New York presents an opportunity which we seized upon to talk about the need to respect the moratorium on testing, and I am very pleased to see that this news and the communique that followed. So some pressure was brought to bear on the nuclear weapon states at that conference.

[Kerry] But do you believe that there is much prospects of getting other NPT [Nuclear Nonproliferation Treaty] signatories to actually support the New Zealand Government and others if France does go ahead with resuming its nuclear program?

[Graham] Well, I like to think so. Obviously, those on the other side of the world wouldn't be quite so concerned as we are. But I don't know of any country that supports the resumption of testing other than perhaps violence.

[Kerry] How would you rate the relationship between France and New Zealand at the moment? Is it as poisonous as it was in immediate aftermath of the Rainbow Warrior bombing?

[Graham] No, No. It was certainly at the low ebb then. Over the last 10 years we have worked hard at building up the relationship and I think we have made a very considerable progress.

[Kerry] Have you had reciprocal goodwill on behalf of the French?

[Graham] Yeah, no question about that and I think the relationship between New Zealand and France now is very, very positive indeed, and I would hate to think that this possibility of resumption of testing damage that in any way and clearly would. [end recording]

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